

THE RELATIONSHIP BETWEEN DIVERSITY MANAGEMENT AND
ORGANISATIONAL CLIMATE

by

TSEDILE ETHEL TJALE

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SUPERVISORS: PROF N MARTINS AND MR H VON DER OHE

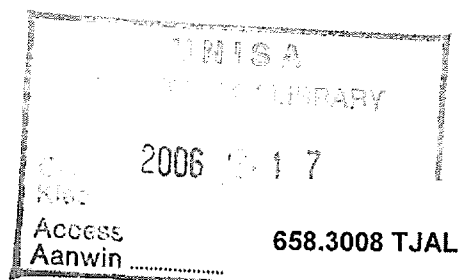
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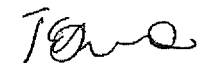
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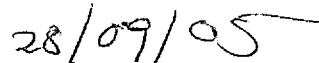
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DECLARATION

I, the undersigned, hereby declare that this dissertation entitled, "The relationship between diversity management and organisational climate", is my own work, and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



Tsedile E. Tjale



Date

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SUMMARY

TITLE: The relationship between diversity management and organisational climate

CANDIDATE: Tsedile E. Tjale

This study is within the field of Industrial and Organisational Psychology. It focuses on the relationship between diversity management and organisational climate dimensions. The literature review indicates that most of the research conducted on these two concepts, diversity management and organisational climate investigated the concept diversity, not diversity management (Cox, 1993; Hicks-Clarke & Ilies, 2003). This study specifically explores diversity management in a retail organisation.

The empirical component of the study includes confirmatory factor analysis, reliability analysis and a correlational study investigating the relationship between diversity management and organisational climate. It was found that there is a positive and strong relationship between diversity management and organisational climate. Diversity management seems to correlate highly with the following climate dimensions: policies and procedures, discrimination, gender issues, equality in conditions of employment and employment equity. The results indicate that younger employees have more positive views regarding diversity management, and middle aged employees have less positive views regarding diversity management.

Key Terms:

Organisational climate; diversity management; organisational culture; job satisfaction; affirmative action; valuing differences; employment equity; discrimination; fairness; diversity management models.

CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This study focuses on the relationship between diversity management and organisational climate. Diversity management and organisational climate will be defined and the integration of the two concepts investigated.

An empirical study will be carried out that explores the relationship between diversity management and organisational climate. The purpose of this investigation is to determine whether there is a relationship between the two concepts and to determine the impact of diversity management on the perceptions of employees in the organisation.

This study will further investigate the perceptions of diversity management of the following biographical groups: race group, gender group, age group, years of service group and employment status group.

1.2 BACKGROUND TO AND MOTIVATION FOR THE STUDY

South Africa is a heterogeneous society, and the diversity in the society has a spillover effect in organisations. This is more the case since the inception of the democratic government that introduced legislation such as Employment Equity Act No. 55 of 1998. According to section 2 of this Act, its aim is to ensure equal representation and treatment of the previously disadvantaged in the workplace. Managers are facing challenges of a diverse workforce (Certo, 1994). According to Hays-Thomas (2004:13), demographic trends indicate that more women, previously disadvantaged populations and older people have entered the workforce since 2000. This has brought about the need for organisations to manage diversity. This is clearly indicated in a validation study

conducted by Martins and Von der Ohe (2003) of a climate instrument. During the validation process it was decided to add diversity as a dimension, as it reflects the changing work environment (demographics).

This phenomenon is not only a reality in South Africa but is occurring throughout the world. Diversity management has become very important in most countries over the last twenty years (Lauring & Ross, 2004; Robbins, 2001). Although the rest of the world has been aware of the need for organisations to manage diversity, this has only recently become a reality in South Africa. Diversity management is one of the most important and broad-based challenges facing a diverse workforce (Robbins, 2001). The debate on diversity management has moved from an initial focus of overcoming discriminatory employment practices to a business case view that justifies diversity management and employment equity opportunity programmes as increasing organisational efficiency and competitive advantage (Lauring & Ross, 2004).

The concept "diversity management" evolved from affirmative action where the emphasis was on the legal obligation placed on organisations to ensure representation of the previously disadvantaged (minorities), and affirmative action was regarded as a recruitment tool. This was followed by the valuing differences approach to diversity management, which emphasises the importance of understanding, respecting and valuing the differences among employees (Harrington, 1993; Svehla, 1994). According to Thomas (1997:42) valuing of differences is regarded as "a generic approach aimed at bringing about greater understanding and acceptance of people who are different, enhancement of interpersonal relationships and the minimisation of blatant expression of racism and sexism". The diversity management approach investigated in this study focuses on using the first two approaches, namely affirmative action and valuing differences to maximise the benefits of a diverse workforce (Lauring & Ross, 2004).

The focus of the current study is to determine the relationship between diversity management and organisational climate. It is assumed that if organisations attempt to manage diversity as a process that is driven from the top, it will have a positive effect on the climate of the organisation. Climate provides organisations with information of how persons within those organisations perceive the organisations and the environment, and transforms them into psychologically meaningful sub-units. Organisations can attempt to manage diversity, but do those efforts have a positive effect on the way the employees perceive the organisation?

1.3 PROBLEM STATEMENT

Hansen (2003), Thomas, Mack and Montegliani (2004) and Von Bergen, Soper and Foster (2002) are of the opinion that the value added by a diverse workforce is unfounded, contending that diversity just adds new faces of people that are unable to perform their tasks. This might be due to their lack of experience and disability, and this leads to loss in earnings for the organisation. The argument here is: are their allegations speculative or is this only happening in those organisations that do not manage diversity?

The researcher makes the assumption that those organisations that actively manage diversity as a strategically driven approach by trained professionals will reap the benefits, one of which is a positive impact on the climate of the organisation.

Cox (1993), Hicks-Clarke and Iles (2000) and Kossek and Zonia (1993) studied the relationship between diversity and organisational climate and found that for diversity to work in organisations, a positive climate needs to be in place. Kossek and Zonia (1993) contend that climates are influenced by equal opportunities policies, access to resources and opportunities in the organisation, and how individuals and groups view those policies. Certo (1994) asserts that management of diversity leads to an organisational climate that is receptive to a diverse workforce. Managers in organisations need to recognise and value the differences among members of a

workforce and actively seek to create a working environment that enables each person to maximise his or her potential (Dobbs, 1996). It appears there is a link between diversity management and organisational climate. As a result the researcher will explore the nature of the relationship between diversity management and organisational climate. The researcher builds on the work of Hicks-Clarke and Iles (2000), which focused on creating a positive climate for diversity, by focusing on the management of diversity.

This study will enable practitioners to develop interventions that will assist them in devising effective programmes in diversity management that will impact positively on the subgroups in a diverse workforce.

1.4 OBJECTIVES OF THE STUDY

The general objective of this study is to explore the relationship between diversity management and organisational climate.

1.4.1 General objective

To explore and to determine the relationship between diversity management and organisational climate.

1.4.2 Specific objectives

The specific literature objectives of this research are to:

- conceptualise “organisational climate”
- conceptualise “diversity management”
- theoretically integrate the concepts “organisational climate” and “diversity management”.

The specific empirical objectives of this study are to:

- determine the relationship between organisational climate and diversity management
- determine whether there are any differences between the different biographical groups such as gender, race, age, years of service and employment status with regard to their views of diversity management in their organisation.

1.5 THE PARADIGM PERSPECTIVE

Mouton and Marais (1988) regard a paradigm as a collection of meta-theoretical, theoretical and methodological beliefs that have been selected from the intellectual climate and the market of intellectual resources of a particular discipline. The present study is in the field of Industrial and Organisational Psychology. In this study the researcher adopted the humanistic perspective.

1.5.1 Assumptions

1.5.1.1 Humanistic assumptions

The humanistic perspective is based on the following assumptions (Meyer, More & Viljoen, 1989):

- **The individual is an integrated whole.**

The current study focuses on the perceptions of individuals in an organisation as a collective. It goes beyond exploring the views of individuals of that unit, taking into consideration the impact of the collective on the individual.

- **The individual is a dignified human being.**

Human beings have qualities that distinguish them from other objects such as stones and trees. The current study is interested in the population sample's opinions and perceptions.

- **Human nature is positive.**

People are basically good and their destructive behaviour is due to environmental influences such as unemployment, poverty, favouritism, discrimination and racism.

- **The individual has conscious processes.**

Individuals' decisions are dictated by conscious processes. This is the focus of the study and a climate questionnaire will be used to obtain information about the way the employees perceive the organisation.

- **The individual is an active being.**

Individuals are active participants in life, make choices and are responsible for the course their life takes. Hence the respondents' inputs will be obtained by asking them their perceptions and those of their supervisors.

1.5.2 Research hypotheses

Hypothesis 1

H 0: There is no relationship between diversity management and organisational climate.

H 1: There is a positive relationship between diversity management and organisational climate

The current study assumes that there is a positive relationship between organisational climate and diversity management. According to Hicks-Clarke and Iles (2000), an organisation that actively manages diversity will result in a more effective organisation.

- Organisations are made up of people. For organisations to thrive, they need employees.

Alternative Hypothesis

- H 0: There is no difference in the views of the following biographical groups with regard to diversity management in the organisation: gender, race, age, years of service and employment status.
- H 1: There is a difference in the views of the following biographical groups with regard to diversity management in the organisation: gender, race, age, years of service and employment status.

1.6 RESEARCH DESIGN

Mouton and Marais (1988) regard research design as the process of organising the collection, analysis and interpretation of information.

The research variables in this study are diversity management and organisational climate. Diversity management in this study is considered to be the independent variable and organisational climate is the dependent variable. The type of research is explorative and descriptive. The unit of analysis in this study is the individual, though in an organisation setting. In ensuring the validity of the study factor analysis was conducted and to warrant reliability of the study internal consistency of the study was determined. In meeting the main objective of the study a correlation study was conducted, T-test was conducted to determine the views of males and females on diversity management, One-way ANOVA was conducted on the following biographical groups to determine their views on diversity management, employment status, race,

age and years of service. Data for this study was collected by the Centre for Industrial and Organisational Psychology at the University of South Africa (Unisa) as part of a project they undertook. The aim of the project was to validate a climate questionnaire. Factor analysis and item analysis were conducted.

1.7 EMPIRICAL RESEARCH

The researcher will conduct a literature review on organisational climate, diversity management, and the integration of the two concepts.

The study will be explorative and descriptive. It would involve data analysis, the reporting the findings, interpretation of the findings, arriving at conclusions, discussing the limitations of the study, and making recommendations based on the findings and for further research.

1.8 OUTLINE OF THE STUDY

Chapter 1 describes the purpose of the study, the background to the problem and the research design and methodology.

Chapter 2 conceptualises organisational climate.

Chapter 3 conceptualises diversity management and the integration of the concepts, organisational climate and diversity management.

Chapter 4 describes the quantitative research conducted.

Chapter 5 presents the findings of the study.

Chapter 6 concludes the study, discusses its limitations and makes recommendations for future study.

1.9 CHAPTER SUMMARY

This chapter introduced the study, outlined the problem and stated the objectives of the study. The research design and methodology were also discussed. Chapter 2 deals with the literature review on the concept “organisational climate”.

CHAPTER 2

ORGANISATIONAL CLIMATE

2.1 INTRODUCTION

The construct climate is important to an organisation because it provides information on how people in the organisation perceive the organisation and the environment, and transforms this information into psychologically meaningful sub-units (Guion, 1973; McMurray, 2003; Reichers & Scheinder, 1990). Lindell and Brandt (2000) state that climate affects climate outcomes at individual and organisational level.

This chapter will focus on the theoretical discussion of organisational climate, by trying to conceptualise organisational climate through defining organisational climate, its dimensions, the relationship between organisational climate and culture, the relationship between organisational climate and job satisfaction, and elements contributing to a positive organisational climate.

2.2 CONCEPTUALISATION OF ORGANISATIONAL CLIMATE

Forehand and Gilmer (as cited in James & Jones, 1974) identified three mutually exclusive approaches to organisational climate, namely the multiple measurement organisational attribute, perceptual measurement organisational attribute, and perceptual measurement individual attribute approaches.

The first approach is the multiple measurement organisational attribute approach, which regards organisational climate as a set of organisational characteristics or main effects. Organisational climate variables are both independent variables that can be manipulated and dependent variables that form a basis of organisational comparisons. Forehand and Gilmer (as cited in James & Jones, 1974) describe organisational climate according to the multiple measurement organisational attribute approach as

characteristics that describe an organisation and distinguish the organisation from other organisations, are relatively enduring over time and influence the behaviour of people in the organisation. According to this approach, perceptual measures of individual responses are captured by means of a questionnaire and are acceptable provided individual differences (different perceptions of individuals in the same organisation) are avoided or at least controlled.

The second approach is the perceptual measurement organisational attribute approach, which views organisational climate strictly as a set of perceptual variables based upon individual perceptions of the organisational situation. For example, questionnaires are used to collect information that reflects the influence of the individual's characteristics, such as personality and aptitude, as well as the influence of the individual's previous experiences in the organisation, such as success and lack of success (Forehand & Gilmer as cited in James & Jones, 1974).

The perceptual measurement organisational attribute approach is a variable that may be used to represent the differences between organisations or the organisation's subunits and therefore is employed as an organisational main effect. The perceptual measurement organisational attribute approach regards organisational climate as a set of characteristics specific to a particular organisation that may be induced from the way the organisation deals with its members and its environment. For individual members in an organisation, climate takes the form of a set of attitudes and expectations that describe the organisation in terms of constant characteristics. The dimensions used by the perceptual measurement organisational attribute approach are individual autonomy, degree of structure imposed upon the position, reward orientation and consideration, warmth and support (Forehand & Gilmer as cited in James & Jones, 1974).

The third approach is the perceptual measurement individual attribute approach, which views organisational climate as a perceptual measure based upon the interaction between the actual situation and individual characteristics. The perceptual measurement individual attribute approach regards organisational climate as a purely

individual attribute, namely an intervening set of variables where the place of intervention is between the actual situation and individual behaviour and attitudes. A major emphasis of this approach is that it is not the objective situation that is of major importance in determining behaviour and attitudes, but rather the individual's perception of the situation that determines his or her reaction to it. According to the perceptual measurement individual attribute approach organisational climate is regarded as a situation where the perceptions of individuals are taken into consideration, not how others might choose to describe the perceptions (Scheinder as cited in James & Jones, 1974).

Research in this area is often concerned with the micro-aspect of climate, namely perceptions of the job. The level of explanation is often the prediction of the individual's behaviour and attitudes rather than the differences between organisations or sub-units (Forehand & Gilmer as cited in James & Jones, 1974).

2.3 DEFINING ORGANISATIONAL CLIMATE

Forehand and Gilmer as cited in Tustin (1988) define organisational climate as "a set of characteristics that distinguish the organisation from other organisations, these characteristics are enduring over time and they influence the behaviour of people in the organisation".

Reichers and Scheinder (1990:22) consider organisational climate to be broadly defined "as the shared perception of the way things are done around here". More precisely climate is the shared perception of organisational policies, practices and procedures both formal and informal.

Litwin and Stringer as cited in Al-Shammari (1992) regard organisational climate as a "set of measurable properties of the work environment, perceived directly by people who live and work in this environment and assumed to influence their motivation and

behaviour". Scheinder, Bowen and Ehrhart (2000:23) define climate as "a set of behaviours and attitudes, but existing as an abstraction of those behaviours and attitudes". Lindell and Brandt (2000) state that the conceptualisation of climate implies that it can be multidimensional concepts with dimensions that are found in other organisations. Schmidt, Wood and Lugg (2003:4) define climate as "individual descriptions of the social setting or context which the person is a part of and as such climate is a collection of an individual's perceptions about a wide range of concepts within a particular context".

For the purposes of this study, then, organisational climate will refer to a set of characteristics that describe an organisation and its sub-systems which can be perceived positively or negatively by its members from the way the organisation deals with its members, behaviour in the organisation, structures, processes, policies and its internal and external environment.

2.4 THE RELATIONSHIP BETWEEN ORGANISATIONAL CLIMATE AND ORGANISATIONAL CULTURE

There is no general consensus on the relationship between organisational climate and organisational culture. Ashe, Joyce and Solum and James and Jones (both cited in Reichers & Scheinder, 1990) argue that climate is a separate phenomenon from culture. Maxwell and Thomas (1991), McMurray (2003) and Turnipseed (1988) maintain that there is blurring between organisational culture and organisational climate caused by issues such as belief systems which are regarded as central to organisational climate. Belief systems are derived from the prevailing value systems, which are associated with organisational culture. The argument here is that climate and culture are the same.

2.4.1 A comparison between organisational climate and organisational culture

2.4.1.1 Conceptual considerations

Schein (1985:6) defines culture as “learned responses to the group’s problems of survival and internal integration”. These responses are subconscious, taken for granted and shared by members of the social unit. Culture is regarded as the way of perceiving, thinking and feeling in relation to the group’s problems (Schein, 1985). Schein (1985:9) describes organisational culture as:

a pattern of basic assumptions that a given group invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel as related to those problems.

Climate refers to members’ perceptions of the way things are, but the perception includes the idea; meaning is attached to the perceived event or thing. Hicks-Clarke and Iles (2000:2) assert that climate “is the atmosphere that employees perceive is created in their organisation by practices, procedures and rewards”. Employees cluster their organisational experiences and events into meanings, and this forms the basis of organisational climate (Hicks-Clarke & Iles, 2000).

Organisational climate is a moderately enduring characteristic of an organisation while culture is a highly enduring characteristic of an organisation. Culture evolves slowly, climate evolves out of the same elements as culture but in terms of organisational realities, more shallow, due to the fact that it forms quickly and changes easily (Hicks-Clarke & Iles, 2000; Moran & Volkwein, 1992). McMurray (2003) indicates that culture is likely to persist over time and climate is the assessment of these elements at any given moment, (see figure 2.1).

Climate is measured through perceptual data. It indicates that the construct is one in which the traces of the unique characteristics of the perceiver are still evident in the analysis. Culture is thoroughly embedded in a kind of collective unconsciousness that exists apart from the reflected variations of individuals in that culture (Moran & Volkwein, 1992).

Moran and Volkwein (1992) regard organisational climate as an organisationally created response, which an interacting group of individuals who are informed and constrained by a common organisational culture make demands on the organisation and contingences arising in the organisation's internal and external environments.

Figure 2.1 The overlap between climate and culture

Level 3 Basic assumptions	Level 2 Values	Level 1 Creations
Ideologies Philosophies	Equity Respect for the individual	Rites Ceremonies Rituals
		<u>Organisational climate</u> Supportiveness Achievement orientation Autonomy Decision centralization
		Myth Saga Legend Story Folktale Symbol

Adapted from Moran and Volkwein (1992)

Figure 2.1 indicates that climate intersects culture (at level 1 and part of level 2), creations and values which are immediately experienced by the individual. Climate exists at a level of awareness at which the perceiver can express reactions to immediate organisational realities (Moran & Volkwein, 1992).

Climate is the way in which structures of culture are demonstrated in the interplay between situational contingencies, interacting group members and the culture itself. Culture itself is also dynamic; it changes slowly (unlike organisational climate) because of this interplay (Moran & Volkwein, 1992). There is a clear overlap between the two concepts. Climate and culture are in a reciprocal process, the one causing the other in an endless cycle over time (McMurray, 2003; Moran & Volkwein, 1992).

Moran and Volkwein (1992) regard climate and culture as related terms. The climate of an organisation is heavily influenced by its culture and the perception of organisation practices by individuals in the organisation.

O'Reilly, Chapman and Caldwell (1991) found that the dimensions in organisational culture profile were similar in many respects to the dimensions of climate. Wallace, Hunt and Richards (1999) indicate that there is a relationship between culture, climate and managerial values.

The researcher concludes that there is a relationship between organisational climate and organisational culture, but these two constructs are not the same and acknowledges that climate evolved from culture, hence they are reciprocally related.

2.4.1.2 Methodological considerations

Sparrow and Gaston (1996) indicate that climate in the researcher's frame of reference is regarded as a psychological schema based on latent personal values, for example individual or personal constructs, which can be aggregated across organisations.

The unit of theory in climate research is the individual and shared psychological fields that give way to common sets of standards and expectations for behaviour. In climate research, the level of analysis varies from the individual through to aggregate measures of consensus at the work group, division or organisational level. The elements of analysis for climate researchers are shared and learned perceptions that result from formal and informal organisational policies, practices and procedures, goals and the means of their attainment. Climate researchers tap into the consciousness of these learned responses and acquired meanings (Sparrow & Gaston, 1996)

Culture researchers' frame of reference is group understandings (interpreted schema or ways of perceiving, thinking or feeling in relation to a group's problems). The level of analysis in culture research is always the collective group. Culture focuses on deeper levels of analysis, such as the shared meanings, assumptions and values that underlie these organisational policies. Organisational culture taps into sub-consciousness (Sparrow & Gaston, 1996).

Turnipseed (1988) indicates that climate is a quantifiable concept whereas organisational culture is qualitative by nature therefore less tangible. Climate researchers use quantitative procedures to conduct research. Despite this Reichers and Scheinder (1990) suggests that climate should also be measured using qualitative methods that may result in richer, more useful descriptions of organisations.

Culture is measured using qualitative procedures such as in-depth interviews. Culture researchers have rarely advocated or used quantitative approaches to study this concept (Reichers & Scheinder, 1990). Denison (1996) also indicates that culture has long been studied qualitatively using field observations and climate studied quantitatively using survey data. Reichers and Scheinder (1990) states that, quantitative procedures should be used together with qualitative methods to study both these concepts.

According to Reichers and Scheinder (1990), climate and culture could benefit from a continued focus on practical application. These two concepts are important because in combination they can specify, and fairly predict the context of human behaviour in organisations. Analysis of the context allows researchers to describe, explain and even predict behaviour in a variety of circumstances.

Scheinder, Bowen and Ehrhart (2000) state that culture can be studied using qualitative methods and is based on values and assumptions that people have of the organisation. Culture originates from the disciplines of Social Anthropology and Sociology. Climate lends itself more to quantitative methodology and is based on the consensus of perceptions of the people in the organisation. Climate originates from the discipline of psychology (Scheinder, Bowen & Ehrhart, 2000).

McMurray (2003) explored the relationship between organisational climate and organisational culture. Climate was surveyed using a quantitative questionnaire, and with culture an inductive approach was followed, as it was important to obtain organisational members' interpretations of significant events.

Culture is regarded as being at a higher level of abstraction and culture captures additional direct and indirect influences on behaviour. Climate is at a lower level of abstraction, and this justifies the use of qualitative and quantitative methods, respectively (McMurray, 2003).

In the light of the above, the researcher is of the opinion that when researching organisational culture and organisational climate it should not be limited to a specific method.

2.5 THE RELATIONSHIP BETWEEN ORGANISATIONAL CLIMATE AND JOB SATISFACTION

The relationship between organisational climate and job satisfaction is debated among researchers in the field of Industrial and Organisational Behaviour. Guion (1973), states that there is an overlap between organisational climate and job satisfaction. Guion (1973) regards climate as an indistinct construct from job satisfaction, to the extent that Guion claims that organisational climate borrowed from established measures (instruments) of job satisfaction.

Johannesson (as cited in Tustin, 1988) states that firstly, instead of attempting to write items that are unique to climate, climate researchers have borrowed items from established satisfaction measures and this has resulted in similar measures being used to evaluate job satisfaction and climate. Secondly, redundancy may exist because of identical methods of measurement being employed for perception of climate and job satisfaction.

In an attempt to investigate Johannesson's claim, Lafollatte and Sims (as cited in Tustin, 1988) sampled 1161 employees of a major medical centre and found that correlations between organisational climate, job satisfaction and job performance vary extremely. As a result Johannesson's conclusion of redundancy is premature and judgemental. In defence of climate research, Al-Shammari (1992) indicates that there is evidence to suggest that while climate and job satisfaction concepts tend to be related, but they are different constructs. Al-Shammari (1992) states that individuals with different work values are more satisfied in different types of climate, and that individuals' satisfaction with various aspects of their work depend on certain combinations of climate components.

In an attempt to resolve the issue raised by Guion (1973), that organisational climate is indistinct from job satisfaction, Scheinder and Synder (as cited in Tustin, 1988)

distributed an organisational climate and job satisfaction instrument to 522 managerial and non-managerial employees from 55 life insurance companies. One of the main findings was that there was a higher level of agreement among employees about the climate of their organisation than about their level of job satisfaction. This means that if climate and job satisfaction were the same thing, the level of agreement between these two concepts would be the same. The above research attempts to prove that organisational climate and job satisfaction are related, but are not the same construct.

This is further proven by Joyce and Slocum (as cited in Tustin, 1988) as they provided a useful way of distinguishing climate from job satisfaction based on the idea of affect. According to Joyce and Slocum (as cited in Tustin, 1988), organisational climate is regarded as a perceptual description of work setting and job satisfaction as an affective evaluation aspect of work setting. These two constructs refer to the aspect of work settings, and that the process of describing and evaluating these two constructs are different. For example, in measuring job satisfaction the scale used would use words like "favourable" versus "unfavourable", "good" versus "bad" and "positive" versus "negative". In measuring climate perceptions the words used in job satisfaction scales are avoided instead a climate scale uses words such as "high" versus "low". Climate is regarded as the perceptual description of the work environment whereas job satisfaction is a person's affective evaluative response to aspects of their job.

The researcher concludes that a measuring instrument measuring climate can also measure elements of job satisfaction as a dimension of organisational climate. The reverse of the situation may not be the case, as climate encompasses more dimensions, which represent perceptions of work environment in totality. In the light of the above discussion, the two concepts "organisational climate" and "job satisfaction" are related but are not the same construct. Job satisfaction can be measured as one the dimensions of climate.

2.6 DIMENSIONS OF ORGANISATIONAL CLIMATE

Organisational climate is a set of characteristics of an organisation and its subsystems, which can be perceived positively or negatively by its members from the way the organisation deals with its members, behaviour in the organisation, structures, processes, policies and its internal and external environment. These characteristics are organised into dimensions which are measured by an organisational climate instrument. Dimensions of organisational climate as found in the literature are discussed below.

Joyce and Slocum (as cited in Tustin, 1988) identified six dimensions of climate which represent a useful method for measuring organisational climate:

- leadership facilitation and support
- workgroup co-operation, friendliness and warmth
- conflict and ambiguity
- professional and organisational esprit
- job challenge, importance and variety, and
- mutual trust.

Boeyens (1985:54) identified the following aspects of organisational climate:

- structure
- responsibility
- reward
- risks
- warmth
- support
- standards
- conflict
- decision making
- organisation identity or identification.

Boeyens (1985:52) identified the following three broad categories of organisational climate:

- Structural aspects of the organisation such as decision-making rules, hierarchy, policy regarding rewards, performance standards and responsibility.
- Leadership functioning relating to support, confidence and trust in the leadership provided.
- Work groups and the degree of support, pressure, communication, acceptance, and help with work procedures existing within the group.

Apart from these three broad categories, Boeyens (1985) identified other dimensions identified by research which have resulted in four broad categories, namely:

- organisational structure, for example decision-making rules, hierarchy, bureaucratisation, technology, autonomy, rewards, responsibility, ambiguity and organisation structure
- job challenge, for example motivational conditions, opportunities to perform, growth and advancement
- leadership, for example support, interaction, goal emphasis, work facilitation, confidence and trust
- work group, for example co-operation, friendliness, reaction to pressure, communication, and conflict resolution.

Furnham and Gunter (1993) identified the following eight dimensions of organisational climate:

- organisational clarity
- decision-making structure
- organisational integration
- management style
- performance orientation
- organisational vitality

- compensation
- human resource development.

Furnham and Gunter (1993) later developed a climate questionnaire with the following fourteen dimensions of organisational climate:

- role clarity
- respect
- communication
- reward system
- career development
- planning and decision making
- innovation
- relationships
- teamwork and support
- quality of service
- conflict management
- commitment and morale
- learning and training
- direction

Martins and Martins (2001) identified eight dimensions of the universe of psychological climate perceptions: autonomy, cohesion, trust, pressure, support, recognition, fairness and innovation. Table 2.1 represents the eight universal dimensions of climate.

Table 2.1 Universal dimensions of climate

Dimension	Definition
Autonomy	The perception of self-determination with respect to work procedures, goals and priorities.
Cohesion	The perception of togetherness or sharing within the organisation setting, including the willingness of members to provide material aid.
Trust	The perception of freedom to communicate openly with members at higher organisational levels about sensitive or personal issues with the expectation that the integration of such communication will not be violated.
Pressure	The perception of time demands with respect to task completion and performance standards.
Support	The perception of tolerance of member behaviour by superiors, including the willingness to let members learn from their mistakes without fear of reprisal.
Recognition	The perception that members' contributions to the organisation are acknowledged.
Fairness	The perception that organisational practices are equitable and non-arbitrary or capricious.
Innovation	The perception that change and creativity are encouraged, including risk-taking into new areas or areas where the member has little or no prior experience.

Adapted from Martins and Von der Ohe (2003)

Blitz, Lazotte and Morris (2003) cited the following organisational climate dimensions:

- employee retention
- job satisfaction
- organisational satisfaction
- service climate
- service support
- training
- compensation
- supervision

- external service value.

Table 2.2 is a summary of the dimensions of organisational climate over time.

Table 2.2 Dimensions of climate

Joyce and Slocum (as cited in Tustin, 1988)	Boeyens (1985)	Furnham and Gunter (1993)	Martins and Martins (2001)	Blitz, Lazotte and Morris (2003)
	Structure	Role clarity		
	Responsibility		Autonomy	
	Reward	Reward system	Recognition	Compensation
	Risk			
	Warmth	Relationships		
Work group co- operation and friendliness	Support	Teamwork and support	Support	Service support
	Standards	Quality of service		External service value
Conflict and ambiguity	Conflict	Conflict management		
	Decision making	Planning and decision making		
	Organisation Identity			
		Respect		
		Innovation	Innovation	
Professional and organisational spirit		Commitment and morale		
		Direction		
		Learning and training		Training
Leadership				Supervision
Mutual trust			Trust	
Job challenge and variety				
			Cohesion	
			Pressure	
			Fairness	
				Employee Retention
				Job satisfaction
				Organisational satisfaction
				Service climate

According to table 2.2 the following dimensions, rewards, teamwork, support and conflict appear to be common in most of the studies. The researcher is of the opinion that climate dimensions will vary from one organisation to another, depending on the nature of the organisation.

2.7 ELEMENTS IN THE ORGANISATION CONTRIBUTING TO A POSITIVE ORGANISATIONAL CLIMATE

Mullins (1989) argues that a healthy organisational climate might be expected to exhibit such characteristics as:

- the integration of organisational goals and personal goals
- a flexible structure with a network of the researcher, control and communication and with autonomy for individual members
- mutual trust, consideration and support among different levels of the organisation
- recognition of individual differences and attributes, and of people's needs and expectations at work
- attention to job design and the quality of working life
- challenging and responsible jobs with high performance standards
- equitable systems of rewards based on positive reinforcement
- opportunities for personal development, career progression and advancement
- justice in treatment, and fair personnel and industrial relations policies and practices
- the open discussion of conflict, with emphasis on the settlement of differences without delay or confrontation
- democratic functioning of the organisation with full opportunities for genuine consultation and participation
- a sense of identity with and loyalty to the organisation and a feeling of being needed and as an important member of the organisation.

Management has the responsibility of creating an organisational climate in which people are motivated to work willingly and effectively. If organisational climate is to be improved, then attention should be given to the above features.

2.8 CHAPTER SUMMARY

This chapter conceptualised the concept “organisational climate”. The relationship between organisational climate and organisational culture was investigated and it was found that the two concepts are closely related but not identical. The same conclusion was reached after investigating the relationship between organisational climate and job satisfaction. Dimensions or characteristics of organisational climate were discussed and integrated. It was concluded that the dimensions used to measure climate in a given organisation would be determined by the nature of the organisation. Elements in the organisation that contribute to a good organisational climate were also discussed. Organisational climate is an encompassing construct, which has a number of dimensions, which are determined by the nature and the external environment of the organisation. Through investigating organisational climate, measures can be implemented to improve the performance of the organisation. The subsequent chapter deals with the literature review on the concept diversity management.

CHAPTER 3

DIVERSITY MANAGEMENT

3.1 INTRODUCTION

This chapter conceptualises diversity management by defining it, discussing approaches to diversity management, benefits of diversity management, positive and negative effects of diversity management, the relationship between diversity management, employment equity and affirmative action, models of diversity management and the relationship between diversity management and organisational climate.

Cox (2001) states that diversity has many interpretations and is not broad enough to mean any difference between people nor so narrow as to be limited to gender and race. Diversity is not another name for affirmative action or a synonym for equal employment opportunity (Cox, 2001; Riccucci, 2002).

3.2 DEFINING DIVERSITY MANAGEMENT

In order to fully appreciate the complexity of diversity, it is helpful to divide diversity into two categories: primary diversity, which consists of elements of diversity over which one has no control, and secondary diversity, which consists of elements of diversity that are subject to choice or those that one can control. Examples of primary diversity are age, ethnicity, gender, physical abilities, qualities, race, sexual orientation and personality orientation. Examples of secondary diversity are educational background, geographical location, income, marital status, parental status, religious beliefs and work experience (Svehla, 1994).

Daniel (1994:14) describes diversity management as a process for developing an environment:

- that fosters awareness, value and acceptance of individual differences,
- that gives employees opportunities and judges them fairly on their talents and contributions,
- thereby attempting to address expectations and to remove or reduce biases and stereotypical behaviour.

According to Jenner (1994), diversity management looks at the diverse needs of the employees not the cultural diversity of employees. It is regarded as managing the human resources needs. Arrendondo (1996:17) defines diversity management as “a strategic organisational approach to workforce diversity development, organisational culture change and empowerment of the workforce”. Thomas (1997:41) considers diversity management “a way of thinking of the objective of creating an environment that will enable all employees to reach their full potential in pursuit of organisational objectives”. Diversity management represents a shift away from the activities and assumptions of affirmative action which focus on recruitment and upward mobility of the minority to management practices that are inclusive, reflecting the workforce diversity and its potential. Diversity management is an ideal pragmatic approach, in which participants anticipate and plan for change, do not fear human differences or perceive them as a threat and view the workplace as a forum for individuals’ growth and change in skills and performance with direct cost benefits to the organisation (Thomas 1997).

Gilbert, Stead and Ivancevich (1999:61) define diversity management as “a voluntary organisational program designed to create greater inclusion of all individuals in informal social networks and formal company programs”.

Ivancevich and Gilbert (2000:75) define diversity management as “the systematic and planned commitment by organisations to recruit, retain, reward and promote a heterogeneous mix of employees”.

Cox (2001:4) defines diversity management as “understanding the effects of diversity and implementing behaviours, work practices, and policies that respond to them in an effective way”.

Taking the above definitions into consideration, diversity management is regarded as a strategic process that an organisation undertakes to create an environment where differences and similarities are acknowledged, valued and utilised to reach organisational goals, using integration rather than assimilation to create a multicultural organisation. This includes culture, working methods or styles, age, gender, work experience, race, values, norms, religious affiliations, disability and the number of years in the organisation.

3.3 APPROACHES TO DIVERSITY MANAGEMENT

3.3.1 Approaches identified by Svehla (1994)

Svehla (1994:20) identified three approaches to diversity management, namely affirmative action, valuing differences and managing diversity.

3.3.1.1 *Affirmative action*

Affirmative action's goal is to right the wrongs of the past, to fill positions with potential candidates and to open up the playing field to all applicants, regardless of race, ethnicity, sex, physical ability (Svehla,1994). The emphasis is on quantitative data with progress monitored by statistical reports and analysis mandated by equal employment opportunity laws. Affirmative action is regarded as a recruitment tool to bring formerly disadvantaged workers into the workforce and help them fit into the corporate culture (Harrington, 1993).

One of affirmative action's failures is that it is universally resisted by management staff, who feel it limits their autonomy in decision making and has created fears of reverse discrimination (Svehla, 1994).

3.3.1.2 Valuing differences

According to Svehla (1994), this approach emphasises the appreciation of differences and the creation of an environment in which everyone feels valued and accepted. Thomas (1997) states that valuing of differences focuses on a generic approach that aims to bring about greater understanding and acceptance of people who are different, enhancement of interpersonal relationships and minimising of blatant expressions of racism and sexism. The failure of this approach has in part been due to the resistance to change by management and employees in the organisation. Progress on measuring valuing differences is usually measured by employee and management focus groups and surveys to measure the degree of acceptance and understanding of a changing workforce (Harrington, 1993).

3.3.1.3 Diversity management

Sveha (1994:22) defines diversity management as "a strategically driven process with the emphasis on building specific skills, creating policies that bring out the best in every employee, and assessing marketing issues as a result of the changing workforce and customer demographics. Its goal is to create a level playing field through the assessment, identification and modelling of behaviours and policies that are seen as contributing to organisational goals and objectives." There seems to be resistance to diversity initiatives as people are negative towards change efforts (Svehla, 1994).

3.3.2 The integrated approach to diversity

Wah (1999) identified an integrated approach to diversity that is being used by a company called Allstate. Primarily for Allstate, the concept diversity is not limited to

ethnicity and gender but includes diversity with regard to age, religion, sexual orientation and disability, for example.

Wah (1999) stated that Allstate resolved to penetrate its day-to-day functions with the concept of diversity. A number of processes have been established to bring the concept and strategy alive. These processes go beyond recruiting a diverse mix of employees to encompass a proactive retention strategy, ongoing training and education, a rigorous feedback mechanism and community outreach programmes.

During the recruiting process diversity initiatives are meant to ensure there are qualified candidates for every position, at all levels of the company. Allstate ensures that the integrated diversity strategy is aimed at retaining the best employees; as a result it builds diversity into its performance model. Every new employee receives diversity training within the first six months of employment. Diversity training focuses on managing behaviours rather than changing employees' belief system. After the initial training the diversity education team provides additional support to managers on how to sustain a diverse and trustful work environment (Wah, 1999). Diversity is constantly measured. For a truly diverse environment, diversity needs to be communicated and to sustain it, takes constant monitoring and evaluation. As a result a structured measurement and feedback system is implemented that helps foster diversity beyond the recruitment stage. One method used is a Quarterly Leadership Measurement System (QLMS) (Wah, 1999).

Allstate has created community outreach programmes whose ultimate aim is to capture a larger market share. These programmes include financial and expert contribution to ethnic, local and other organisation programmes (Wah, 1999).

3.3.3 Perspectives identified by Lorbiecki (2001)

Lorbiecki (2001:350) identified four perspectives on diversity management, namely resistance, discrimination and fairness, access and legitimacy, and learning and effectiveness.

3.3.3.1 *Resistance*

This approach was developed in the 1950's and 1960's, when established majorities feared that they might be displaced in the workplace by minorities. According to this approach, any embodiment of visible forms of difference was perceived by the established majority (White males) to be a threat. Organisations reacted by protecting their status quo as a means of preserving homogeneity (Lorbiecki, 2001).

3.3.3.2 *Discrimination and fairness*

In the UK, the Sex Discrimination Acts of 1975 and 1976 could be regarded as a social response to redress the disadvantaged position of women and minority groups in Britain at the time. This perspective was later known as the discrimination and fairness perspective/approach. In this perspective, typical interventions involved the auditing of sources of direct and indirect discrimination, and positive or affirmative intervention action aimed at making good historical imbalances in access to opportunity (Lorbiecki, 2001).

3.3.3.3 *Access and legitimacy*

The access and legitimacy perspective places primary emphasis on acknowledging, accepting, appreciating, understanding and valuing a huge array of differences including able-bodiedness, age, class, culture, ethnicity, experience, gender, race, values and ways of working (Dass & Parker, 1999; Thomas & Ely, 1996). According to Lorbiecki (2001), it emphasises the need to create a culture or climate in which differences can

find expression so that organisations can match employees' demographic characteristics to those found in the community.

3.3.3.4 Learning and effectiveness

Thomas and Ely (1996) recognise that the weakness in the access and legitimacy perspective can be resolved if diversity management can be approached from the learning and effectiveness perspective. A major weakness of the access and legitimacy approach is that women and the previously disadvantaged people are either encouraged or expected to fit in, or they are ghettoized by their differences into jobs that relate specifically to their background, for example by interfacing only with clients or customers of their same identity group. Emphasizing differences is held particularly limiting because it is based on the flawed assumption that the only virtue members of identity groups have to offer is the knowledge of their own people (Thomas & Ely, 1996:80). The learning and effectiveness perspective indicates that for diversity management initiatives to be successful, the work gets diversified not just the employees (Dass & Parker, 1999). This involves diversifying structures, processes and the culture of the organisation. This can be achieved if diversity management becomes systematic, depending on the organisation interventions such as action research, organisational development and total quality management can be implemented (Dass & Parker, 1999).

The systematic change required by the learning perspective might be difficult to achieve because organisational learning in most companies tends to be oriented towards the interest of management. A learning approach could be seen as a manipulated tool to increase management control thus increasing the chances of resistance to changes related to diversity (Dass & Parker, 1999). Lorbiecki (2001:355) indicates that "the major strength of this approach is that it pays much greater attention to the need to diversify work rather than people, bringing diversity into the core of organisational processes".

3.3.4 Carr-Ruffino's approaches to diversity management (1999)

Business leaders are changing the way they manage diversity (Carr-Ruffino, 1999). Most of the business leaders realise that the melting pot approach was just a myth for black people and women. These business leaders realised that the legal approach, which relies on meeting equal opportunity and affirmative action requirements, has been an effective tool in opening doors for all, but does not provide sufficient basis for managing diversity, it just ensures equal representation in the workplace (Carr-Ruffino, 1999). According to Carr-Ruffino (1999:9), what is emerging is the "action-oriented approach that values diversity and also works towards creating a corporate culture that reflects the cultures of all employees. This culture has values, heroes, heroines, myths, rituals and customs from all cultures and lifestyles of its employee groups". Table 3.1 indicates an expansion of Carr-Ruffino's model on the evolution of approaches to workplace diversity.

Table 3.1 An expansion of Carr-Ruffino's model on the evolution of approaches to workplace diversity

Sources	Melting pot myth	Equal employment opportunity/ Affirmative Action	Assets	Multicultural corporate culture
Svehla (1994)		Affirmative action	Valuing differences	Managing diversity
Wah (1999)				Integrated approach
Carr-Ruffino (1999)	Assimilation	Legal	Valuing differences	Managing differences
Lorbiecki (2001)	Resistance	Discrimination and fairness	Access and legitimacy	Managing diversity

Adapted from Carr-Ruffino (1999)

3.3.5 Approach utilised in South Africa

According to Thomas (2002) most South African companies already introduced strategies of affirmative action to achieve employment equity. It is argued that the face of the South African workforce is changing, and becoming diverse. Despite these changes it is believed that this process is not happening rapidly enough and the management structures are still white male dominated.

Thomas (2002) identified the following strategic concerns regarding employment equity:

- Race classifications will be heightened and regarded as reverse discrimination. The result thereof would be a decrease in employee loyalty and a lack of retention of skilled employees.
- People from previously disadvantaged groups who still require training and development, have unrealistic short term expectations that will further increase racial and social conflict within companies (Thomas, 2002).

Thomas (2002) further identified some operational concerns:

- Companies in an attempt to adhere to legislation are making token appointments and this result in a decline in the levels of service.
- Employment equity and affirmative action measures are not regarded as strategic business issues; therefore management is not committed to them.
- There is lack of commitment to performance management that could be used as a tool for training and development of employees.

It appears from the above discussion that a majority of South African companies are still managing diversity according to the employment equity or affirmative action approach as indicated in table 3.1.

3.4 POSITIVE AND NEGATIVE EFFECTS OF MANAGING DIVERSITY

3.4.1 Positive effects of managing diversity

A properly managed diversity management strategy in an organisation can have the following value-adding benefits:

3.4.1.1 Problem-solving and decision-making

Diverse groups have a broader and richer base of experience from which to approach a problem. Carr-Ruffino (1999:13) indicates that culturally diverse groups have the potential to solve problems better because of the following factors:

- a greater variety of perspectives;
- a higher level of critical analysis of alternatives;
- lower probability of groupthink and therefore a higher probability of generating creative solutions.

According to Carr-Ruffino (1999), these benefits increase organisational productivity. Cox (2001) indicates that diversity improves decision-making. Nemeth (as cited in Cox, 2001) found that groups with heterogeneous views were better at critically analysing decision issues and alternatives than those with homogenous views.

3.4.1.2 Creativity and innovation

In diverse groups creativity increases, as the people in the groups have a broader range of ideas to choose from. This enhances organisational activities, such as process improvement, advertising, product design and quality improvement (Carr-Ruffino, 1999; Cox, 2001; Vernon, Bergman, Bowler, Engel, Zeino, Rentsch & Woehr, 2003). The above is only possible if the relationships within the group are strong. Creativity and innovation increases if the relationships within the groups are strong.

3.4.1.3 Organisational flexibility

In organisations where there is diversity, their ability to adapt and accommodate diversity should lead to greater organisational flexibility (Cox 2001). Cox (2001:8) identified two ways diversity can assist in making an organisation more flexible:

- Through changes in the patterns of employees' cognitive structures; that is, their typical ways of organising and responding to information. For example, there is evidence that women tend to have more tolerance for ambiguity than men, a quality that has been linked to both higher levels of cognitive complexity and the ability to perform ambiguous tasks, and
- Studies on bilingual and monolingual cultural groups in various nations have shown that bilingual individuals tend to have higher levels of cognitive flexibility and divergent thinking than monolinguals.

3.4.1.4 Human talent

Cox (2001) states that those organisations that are effective at attracting, retaining and using people from only one or two social-cultural groups will be at a disadvantage compared to those that are equally effective with people from a variety of backgrounds. Carr-Ruffino (1999) states that in order to retain qualified employees, they want their individual and group needs recognised and met. They want control over their own destiny, to have a say in decisions that affect them, and more flexibility in terms of employment and rewards. People are less likely to stay with employers who don't meet their needs.

3.4.1.5 Marketing strategy

A well-managed diverse workforce can facilitate selling goods and services to a diverse market in the following ways:

- Firstly, there is the public relations value of being identified as an organisation that manages diversity well.

- Secondly, marketing efforts may gain from the experiences and perspective of a diverse workforce, which can be valuable in building sales. This can assist organisations in understanding cultural effects on buying decisions and in mapping strategies to respond to them.
- Thirdly, broadly representative employees can help create strategies to enhance customer relations when working with clients from diverse cultural backgrounds (Carr-Ruffino, 1999; Cox, 2001).

3.4.1.6 *Reducing costs*

According to Carr-Ruffino (1999), companies that manage a diverse workforce save money in defending grievances, complaints and lawsuits regarding discrimination and sexual harassment cases. In addition to lost time and legal fees for dealing with such problems, there are other costs such as job-related stress, lowered morale, lowered productivity and resulting in absenteeism and turnover.

3.4.2 Perceived negative effects of managing diversity

Hansen (2003:28) is of the opinion that diversity management has more negative effects on the organisation than positive effects. Hansen (2003) gives the example of Xerox, this organisation conceived the first workplace equality efforts 40 years ago, and draws 30 percent of its workforce from racial minorities and wins awards for its diversity programmes, yet despite these efforts it still faces multiple discrimination lawsuits. Cox (2001) maintains that diversity management creates unnecessary costs for organisations. Hansen (2003) states that diversity management programmes are more successful with respect to gender rather than racial and ethnic issues. Discussed below are negative effects of managing diversity in organisations.

3.4.2.1 *Devaluation of employees*

An error that contributes to the devaluation of employees is equating diversity with

affirmative action. Affirmative action is considered to have racist assumptions. It creates the impression that individuals are hired or promoted based on quotas or as a result of other affirmative action policies, the individuals are perceived to be token appointments, and are not hired or promoted on performance or ability alone (Von Bergen, Soper & Foster, 2002). In a New York study, Von Bergen, Soper and Foster (2002) found that women who believe that they were hired on gender rather than ability tend to devalue their own performance, and choose less demanding tasks and devalue other women in the organisation.

3.4.2.2 Diversity impairs organisational effectiveness

There are people who believe that a minority workforce offers very little to the organisation as a whole in terms of increased knowledge, skills and activities. They believe that making the organisation look different adds little to organisational effectiveness. Diversity due to race will create interpersonal dynamics among workers and thus threaten their productivity, and employees of colour are believed not to contribute meaningfully to productivity (Thomas, Mack & Montagliani, 2004).

3.4.2.3 Women lack commitment to employment

Female employees are still viewed with a degree of suspicion. Women of childbearing age are often regarded as more likely to leave their jobs than their male counterparts. Women are regarded as an economic risk because they are ill more often than men and they tend to quit their jobs once they marry and/ or have children. It is believed that women face more work-family conflict than men (Thomas et al., 2004).

3.4.2.4 The disabled drive up employment costs

There is a belief that disabled employees' physical limitations cause them to miss work more than non-disabled workers, produce poorer quality of work and drive up the costs of healthcare premiums (Thomas et al., 2004). Employers have traditionally resisted

hiring persons with disabilities partly because of the belief that they pose safety risks, increase health costs, have higher absence and lower productive capacity than non-disabled workers (Thomas et al., 2004).

3.4.2.5 Older workers have little potential for payback

Thomas et al. (2004) state that the cost associated with hiring and training older workers will outweigh the benefits of their employment. The arguments are, older employees are perceived as producing lower quality of work and they will not be in their jobs long enough to make a substantial impact or contribution to the organisation.

3.5 THE RELATIONSHIP BETWEEN DIVERSITY MANAGEMENT, EMPLOYMENT EQUITY AND AFFIRMATIVE ACTION

The concept diversity management is often equalled, confused or incorrectly related with affirmative action and employment equity (Cox, 2001; Jenner, 1994; Maier, 2002; Thomas, 1996; Yakura, 1996).

3.5.1 Clarification of concepts

Diversity management is a corporate managerially initiated strategy. It can be proactive and is based on operational reality to optimise the use and contributions of an increasingly diverse national workforce (Ivancevich & Gilbert, 2000). Cox (1993) describes an organisational continuum in terms of diversity initiative implementation comprising of three types: monolithic, plural and multicultural.

In monolithic organisations, the extent of commitment to affirmative action is the existence of an affirmative action plan. In plural organisations, minorities may be more aggressively recruited and promoted but they are ultimately expected to assimilate into the dominant culture. The plural organisation supports affirmative action to the exclusion of initiatives that promote true employee integration.

The multicultural organisation represents the ideal, a place where differences are appreciated and used to gain competitive advantage. Multicultural organisations are believed to promote both attitudinal and structural integration of minorities and to effectively manage corporate diversity.

Affirmative action is a reactive process and is based on governmental law and moral imperatives in order to right the wrongs of the past in the workplace. According to Agocs and Burr (1996), affirmative action is a policy that deals directly with de facto or systematic discrimination and focuses on increasing the representation of designated groups through targeted hiring. Affirmative action puts interventions in place that involve preferential treatment of members of target groups in appointments, development and promotions.

Employment equity creates an environment of equal opportunity in the workplace. The purpose of the Employment Equity Act 55 of 1998 (Republic of South Africa) is to attain equality in the workplace through the elimination of unfair discrimination and through affirmative action strategies. Agocs and Burr (1996) state that employment equity can be seen as a two-fold response to inequality, designed not only to improve numerical representation of formerly disadvantaged groups in all occupational categories and levels, but also to provide fair employment systems free of unfair bias and discrimination.

Diversity management is regarded as a strategic process that an organisation undertakes to create an environment where differences and similarities are acknowledged, valued and utilised to reach organisational goals, using integration rather than assimilation to create a multicultural organisation. This includes culture, working methods or styles, age, gender, work experience, race, values, norms, religious affiliations and number of years in the organisation.

3.5.2 Comparison between diversity management, employment equity and affirmative action

According to Yakura (1996), in contrast to affirmative action and employment equity, diversity management bears less legal and moral connotations and is regarded as a business initiative addressing diversity in the workplace. Thomas and Robertshaw (1999) state that diversity management is not opposed to the concepts affirmative action or employment equity, but rather as a voluntary organisational change programme that helps to implement employment equity in the workplace. The goal of affirmative action and employment equity is to help create a diverse workforce; diversity management is needed in order to achieve upward mobility, healthy integration among the workforce and ultimately lead to greater organisational performance (Thomas & Robertshaw, 1999).

Riccucci (2002) regards equal employment opportunity as policies aimed at preventing employment discrimination. Equal Employment Opportunity policies and laws were developed in response to discriminatory practices against persons based on race, gender, religion, national origin, disability, age and so forth. Equal Employment Opportunity law is regarded as passive in a sense that it only requires employers to refrain from discriminating against protected-class members. On the other hand, affirmative action requires employers to take positive steps towards employing, promoting, and retaining qualified women, people of other races and other protected class people (Riccucci, 2002). Affirmative action continues to be an important tool for the promotion of the disadvantaged to upper-level positions in the workplace. Diversity measures go beyond entry-level hiring to ensuring that every section of the organisational hierarchy is diversified and that the workplace is free from hostilities and harassment that often arise in a highly diverse workforce. Table 3.2 displays a comparison of these three concepts as discussed above.

Table 3.2 An expansion of Ivancevich and Gilbert (2000). A comparison of the differences between affirmative action, diversity management and employment equity

Affirmative Action	Diversity Management	Employment Equity
Linked to the strategic use of the human resources plan	Not tied to strategic human resources plan. Proactive	Linked to the strategic use of the human resources plan
Reactive and based on law and moral imperatives	Focuses on building diverse teams	Reactive and based on law and moral imperatives
Not linked to any formal manner to team building	Race, ethnicity, age, religion, sexual orientation, physical limitations are considered	Not linked to any formal manner to team building
Focuses primarily on women, people of colour and the disabled	Considers diversity of external constituency, more in diversity of employees and recruitment pool, and a more diverse stakeholder pool	Focuses primarily on women, people of colour and disabled
Emphasis is primarily with employees and not external constituents	Celebrates and respects differences in values, customs and norms	Emphasis is primarily with employees and not external constituents.
Works at making individuals conform to organisational customs, norms and values	Addresses the bias of people towards others who are different	
Ensures that disadvantaged employees are promoted to all hierarchical levels in the organisation	Ensures that once the employees are hired and promoted to all the hierarchical levels of the organisation, they are free from harassment and hostilities	
	Helps implement the employment equity in the workplace	
Assimilation model. Assumes new people who come into the organisation will adapt to existing organisation norms	Synergy model. Seeks change in organisation culture to accommodate diverse groups	Access model. Assumes that protected-class persons will be able the access the organisation
Qualitative/quantitative. Emphasis on redressing past discrimination and achieving a representative workforce	Behavioural. Emphasis on building specific skills and creating a productive work environment.	Qualitative/quantitative. Emphasis on preventing or ending discrimination.
Opens doors. Seeks to affect hiring and promotion decisions in organisations	Opens the system. Seeks to affect managerial practices and policies	Levels the playing field. It seeks to ensure equal opportunity and access

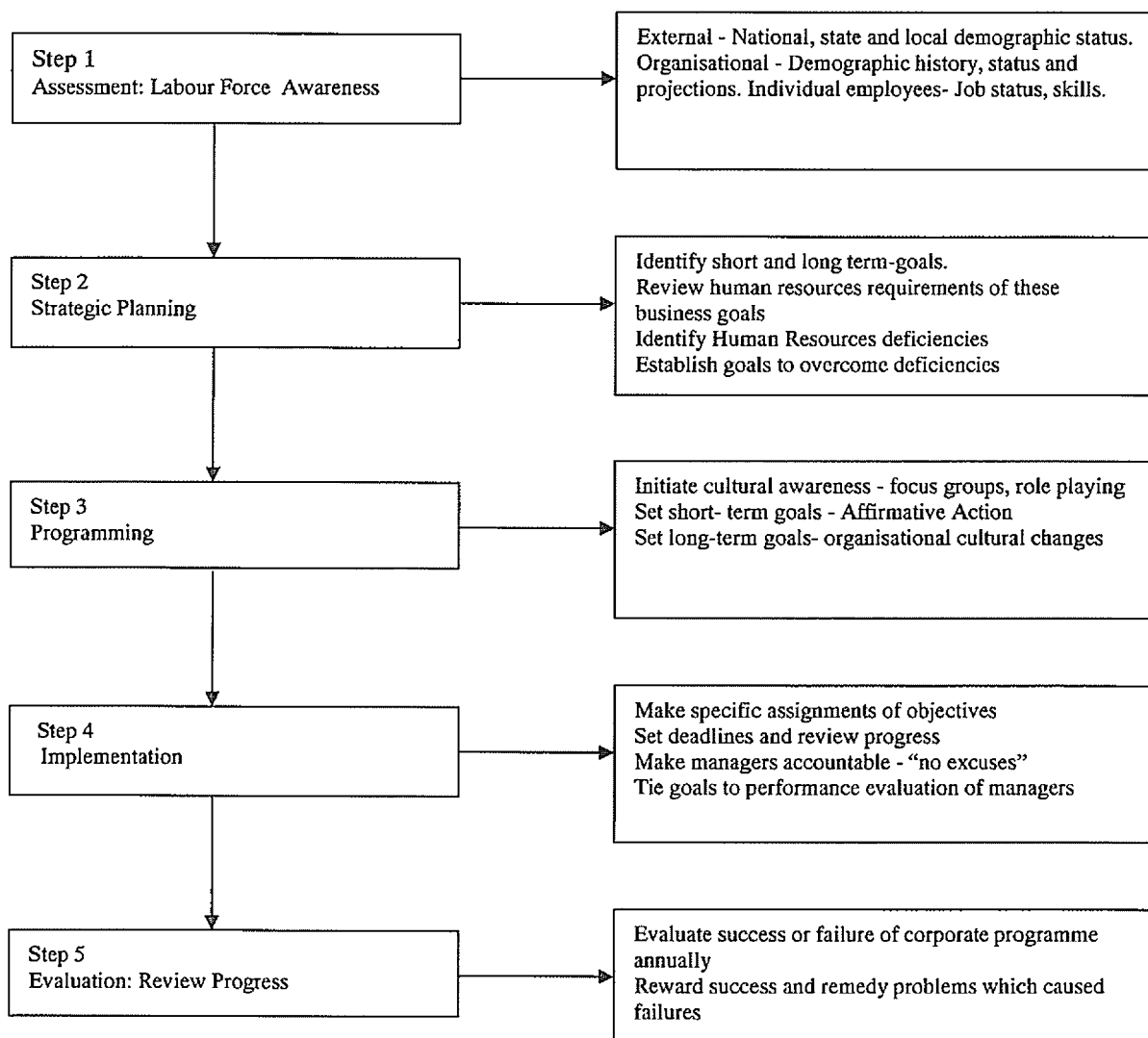
Adapted from: Ivancevich and Gilbert (2000)

3.6 MODELS OF DIVERSITY MANAGEMENT

3.6.1 Managing cultural diversity: a proactive approach

Motwani, Harper, Subramanian and Douglas (1992) developed a model for managing cultural diversity depicted in figure 3.1. This model explains how a manager can successfully implement a program of recruiting and managing a diversified workforce. The first phase of the model, a manager must develop a complete understanding of the labour resources available in the labour market and the labour pool that exists within the organisation. In the second phase the manager should understand the short-term and long-term operational goals of the company and what types of jobs and skills will be required in the future to achieve organisational goals. In the third phase, referred to as the programming phase, diversity management focuses on setting both short-term and long-term goals to achieve a more responsive environment to the changes that are taking place. In the short term the manager may only be able to achieve minimum affirmative action goals, create awareness among employees of the stereotypes they may possess and the harm this may cause to the organisation, and may also start at this stage to affirmatively recruit minorities, women and others. In the long run the culture of the organisation must be changed to create a management system and employee group, which goes beyond tolerance to appreciation of cultural differences. The fourth phase of this model involves making specific assignment of responsibilities, setting quarterly deadlines and review dates, making managers accountable with “no excuses” and tying the goals to performance evaluation of managers. The final phase of the model involves evaluating the human resources department’s management of the overall diversity management program. This is done to determine if the programme is achieving its specified goals and if it is not achieving specified goals the department must redesign its programme to make it more effective (Motwani et al., 1992).

Figure 3.1 Managing cultural diversity a suggested model



Source: Motwani, Harper, Subramanian and Douglas (1992)

3.6.2 An integrative model of effective diversity management

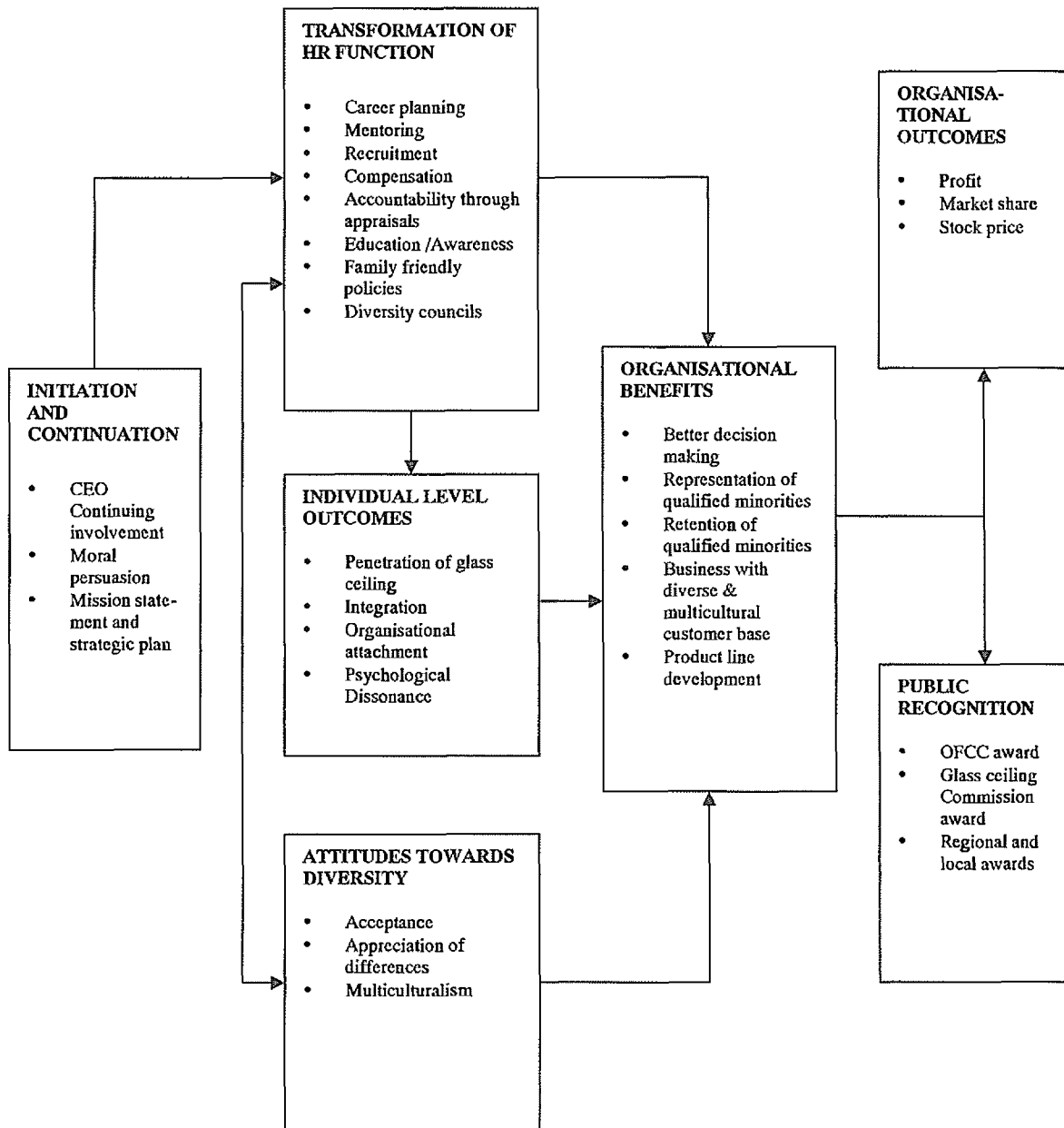
Gilbert et al. (1999) developed an integrative model of diversity management. This model integrates components of existing models with interview data and anecdotes from actual business practice.

The model depicted in figure 3.2 suggests that specific factors are responsible for positive diversity results. According to the model, Chief Executive Officer (CEO) initiation and continuation leads to transformation of the human resource function, positive individual level outcomes for minority and majority individuals, and positive attitudes towards diversity. Benefits of effectively managed diversity, in turn, affect important organisational outcomes.

3.6.2.1 *CEO initiation and continuation*

Gilbert et al. (1999) regard organisations that view valuing differences as a total cultural change rather than an isolated component of organisational policy designed to satisfy governmental mandates as diversity leaders in the industry. CEO's of these organisations believe that diversity management makes sense both from a perspective of justice and a perspective of improving bottom line. The diversity programme at Xerox was initiated at the top and managerial attention to increased workforce diversity was mandated. The transformational leadership skills of the CEO's of J.C. Penny's and Xerox acted as catalysts to organisational change. J.C. Penney's and Xerox changed their mission statements and strategic plans to incorporate diversity related goals, and subsequently demonstrated their commitment to diversity through initiating organisational cultural change. Other CEO's who now advocate valuing diversity as a corporate goal came to that realisation as a result of legal battles (Gilbert et al., 1999). Lawsuits need not be the motivating factor for firms to act. The then CEO of Procter and Gamble, John Pepper was committed to increasing organisational diversity as a means of attracting the best talent and serving diverse markets (Gilbert et al., 1999).

Figure 3.2 An integrative model of effective diversity management



Source: Gilbert, Stead and Ivancevich (1999)

3.6.2.2 Transformation of the human resource function

According to figure 3.2, diversity as a strategic imperative will result in structural organisational changes, specifically in augmentation of the human resource function. A study in which in-depth interviews with managerial personnel from sixteen organisations uncovered 52 diversity practices and twenty-three accountability practices used in the organisation, which were trying to promote a culture of valuing differences. These initiatives suggest that a one or two-day diversity training programme is insufficient to create the cultural change necessary for minority individuals to feel fully integrated in the workplace (Gilbert et al., 1999). Under the umbrella of diversity management, the entire personnel or human resources systems are modified to promote employee inclusion (e.g. compensation, performance appraisal, mentoring, and career pathing) (Gilbert et al., 1999).

3.6.2.3 individual level outcomes and attitudes toward diversity

The intent of diversity management is to foster enhanced employee integration. Jackson and Ruderman (1995) argue that integration is based on valuing differences, as opposed to assimilation, which results from organisational compliance. Integration, according to Jackson and Ruderman (1995) will become a sought after organisational strategy for the following reasons:

- Employees are less willing to assimilate into a dominant organisational culture.
- Some factors may be beyond assimilation.

Jackson and Ruderman (1995) further suggest that assimilation of diverse employees may actually be dysfunctional, resulting in an inability to attract and retain qualified people. Taking care of all people in a way that values them as individuals and values the special contributions that they make is integral to engaging all people as valued and contributing members of the business team.

3.6.2.4 *Organisational outcomes and public recognition*

Wright, Ferris, Hiller and Kroll (1995) examined the impact on corporate stock returns of Office of Federal Compliance Programmes (OFCCP) award winners versus those sued for discrimination. Findings indicated that labour awards were positively associated with stock returns. The visionary stance of CEO's committed to diversity has manifested itself in award winning programs and in national recognition of diversity leaders. Xerox is the first recipient of the Glass Ceiling Commission award, officially named the Perkins-Dole National Award for Diversity and Excellence in American Executive Management. Pfeffer (1995) indicated that it might have been too early to assess long term benefits of these awards and honours, as widespread positive public recognition will likely be associated with increased sales, and a perception that winners have obtained a source of competitive advantage.

3.6.2.5 *Ethical outcomes*

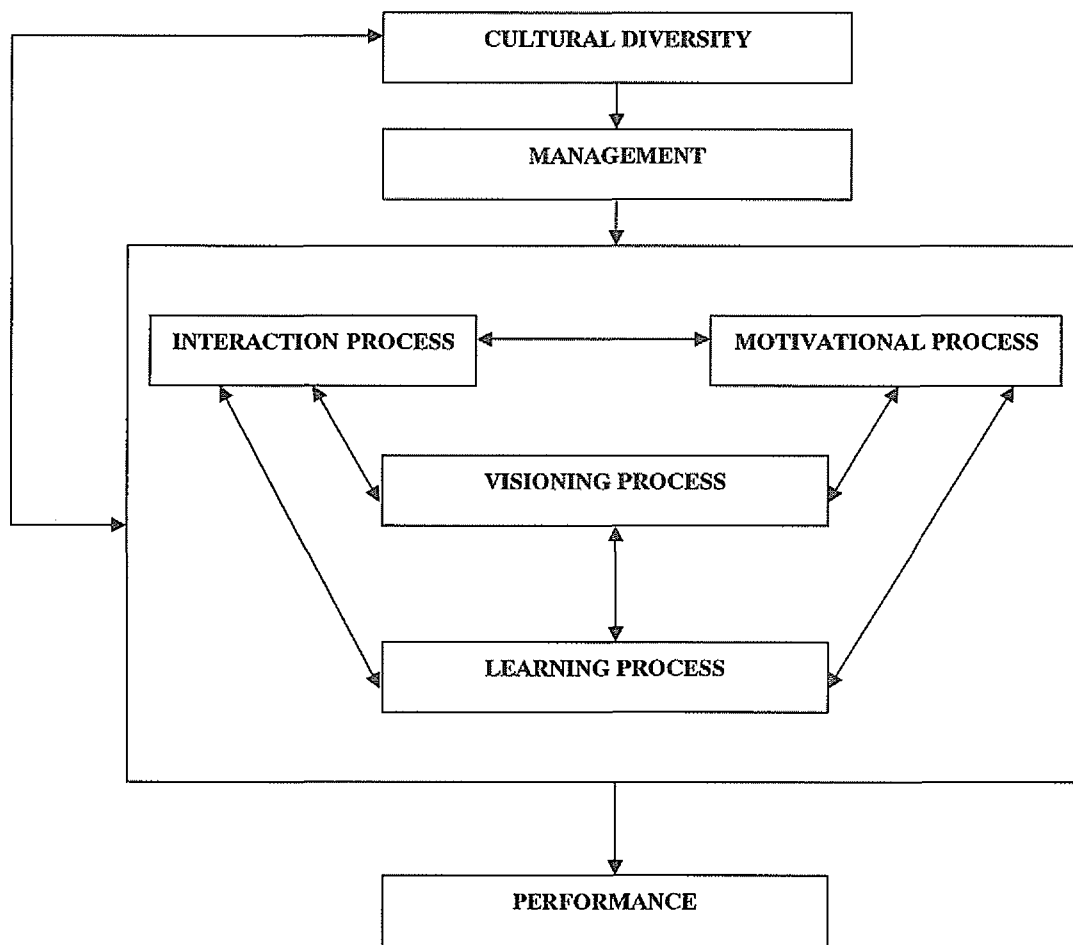
A process of ethical decision making and an ethical decision-making checklist both provide a consistent strategy that includes taking ethical principles (an ethics screen) into consideration. These decision models provide ways to include diversity management in business decisions. Both the corporate mission statement and the code of ethics can be a valuable source for building an ethics screen, management needs to make a conscious effort to use ethical decision making, as words without action will not bring about diversity management (Gilbert et al., 1999).

3.6.3 A model for managing culturally diverse organisations

Rijamampianina (as cited in Rijamampianina & Maxwell, 2002) developed a model for managing culturally diverse organisations. Rijamampianina indicates that managers have attempted to initiate organisational changes in the structures and policies of the organisation, but it suggests that managers could be more effective were they to focus their efforts on organic processes.

Organisational processes are said to be dynamic, changing all the time, shaping the organisation and influencing performance, sometimes in keeping with in opposition to the stated policies and establishes structures. The practical impact of cultural diversity on management practices would most importantly be identified in organic processes that constitute an organisation. Rijamampianina (as cited in Rijamampianina & Maxwell, 2002) states that the majority of organisational activities can be described by the following four interrelated activities: interaction process, motivational process, visioning process and learning process (see figure 3.3).

Figure 3.3 Influences of cultural diversity on management.



Source: Rijamampianina and Maxwell (2002)

3.6.3.1 Motivational process

Employees are impacted upon by a variety of internal and external motivating forces, which predispose those employees to think and act as they do under various circumstances. People's motivational patterns differ. This is more the case in multicultural organisations where motivational forces are likely to differ more than in homogeneous contexts.

3.6.3.2 The interaction process

Employees are said to have predetermined assumptions about the world, roles within the organisation and a set of values by which they judge all their experiences. The interaction process is said to be a process by which employees have their views of the world, by which they generate an understanding of their colleague's assumptions, attitudes and values and their mental models. Such sharing generates the basis of mutual respect, constructive conflict and trust. Employees in a homogenous work context cannot be said to share a common set of mental models, and this is more the case in multicultural work context, where employees have vastly different mental models.

3.6.3.3 The visioning process

Even though an organisation has a vision and mission, this does not necessarily mean that employees in the organisation will share a common understanding of the vision of the organisation nor will they necessarily support the vision. The visioning process is one that involves all employees in defining and redefining the essential purpose of the organisation in such a way that it generates a level of understanding of the vision and a level of commitment in pursuing the vision. The visioning process can only be effective if the motivation and interaction process are effective. It requires a minimum level of

shared understanding about the organisation and a minimum level of alignment of the motivational forces acting on employees.

3.6.3.4 The learning process

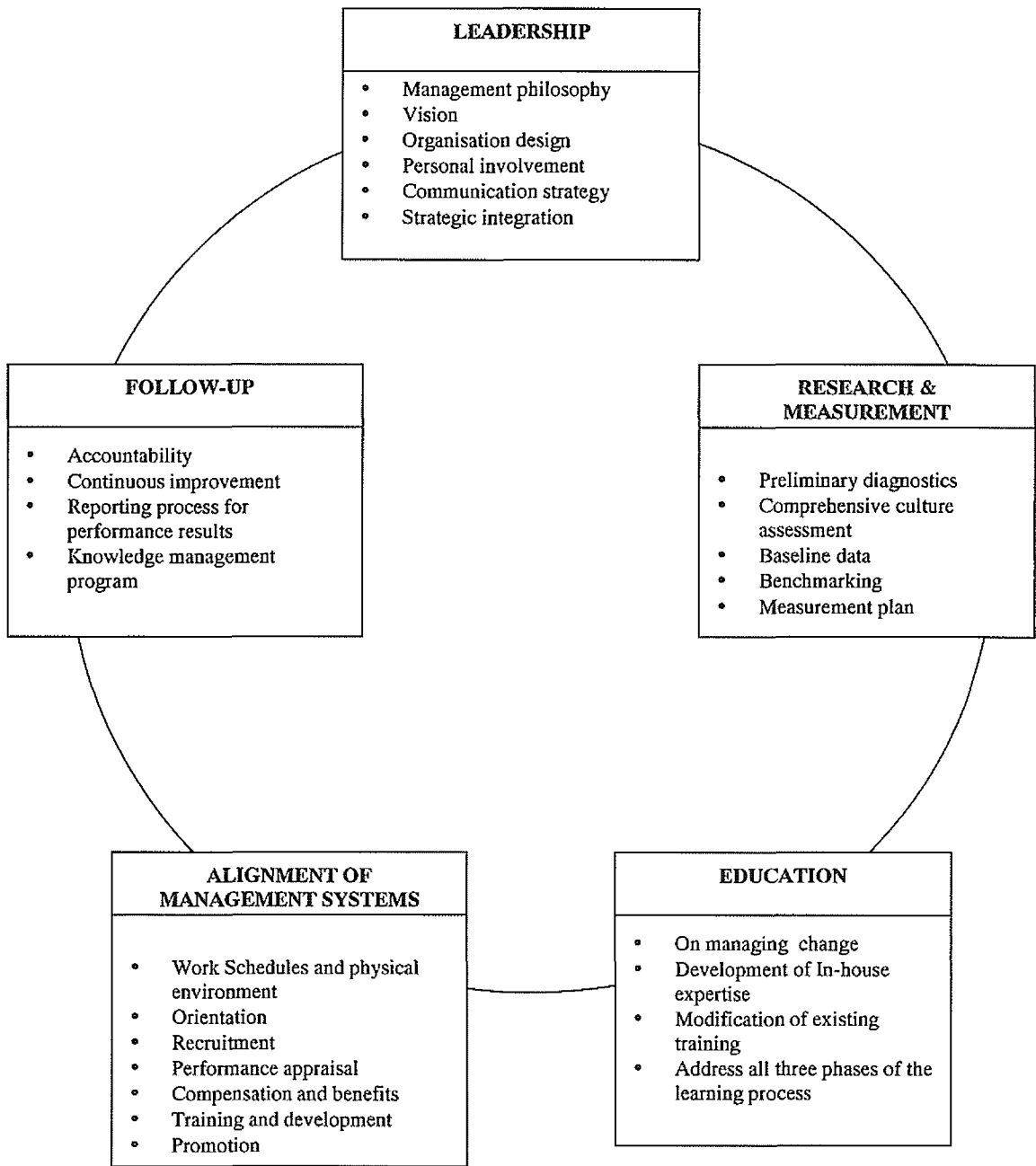
Learning in this context refers to learning that is specifically related to the empowerment of employees in a manner critical to their success in meeting the challenges they face at work. The learning can be formal or informal, specific to a work task or related more generally to the work environment or based on verbal or written communication. The learning process focuses on empowering employees with the skills that are critical to their success in meeting the challenges they face at work. A healthy learning process is largely dependent on the healthy motivation and interaction processes. Rijamampianina (as cited in Rijamampianina & Maxwell, 2002) states that the above processes are interrelated and that successful management of these processes leads to high levels of organisational performance. In order to achieve high performance in any organisation, managers need to create organisations that:

- share business successes and failures with employees (the motivation process)
- welcome and encourage mental model sharing (interaction process)
- support vision creation with employees (visioning process), and
- encourage core competence development Rijamampianina (as cited in Rijamampianina & Maxwell, 2002).

3.6.4 CHANGE MODEL FOR WORK ON DIVERSITY

Cox (2001) developed a model for organisational change as a response to the challenge of diversity (see figure 3.4). According to Cox (2001), an effective change effort should include all elements depicted in figure 3.4. Change effort cycles through all the elements and is continually assessed and refined over time in a process of continued loop learning.

Figure 3.4 Change model for work on diversity



Adapted from Cox (2001).

3.6.4.1 *Leadership*

Cox (2001:18) regards leadership as “behavior that establishes direction or a goal for change (a vision), provides a sense of urgency and the importance of the vision facilitates the motivation of others and cultivates necessary conditions for the achievement of the vision”. Leadership is regarded as central to any change effort, without it the organisation lacks direction.

3.6.4.2 *Research and measurement*

Cox (2001:20) regards research as a purposeful collection of data by which we can answer questions about some environmental element or phenomenon. In the context of organisational change, measurement means the use of research to keep record of the progress of a change initiative. According to this model, successful organisational change work must be well informed by relevant data, with results being systematically measured at intervals during the process.

3.6.4.3 *Education*

Any change effort brings with it an element of learning. Education helps people to learn new information and skills in order to survive in the changing world of work (Cox, 2001).

3.6.4.4 *Alignment of management systems*

Cox (2001:21) describes management systems as “any organisational policy, practice, rule or procedure”. This also addresses the major human resources activities like recruitment, promotion and development. All these systems must be aligned with the goals of leveraging diversity. In order to achieve this alignment of systems there is a need for a fairly deep understanding of diversity and its effects.

3.6.4.5 *Follow up*

This component involves implementing action, establishing accountability for results and capturing and recycling the learning so that the action steps become more precise. This component overlaps with the other four components, but is linked more to the research and measurement component (see figure 3.4) (Cox, 2001). This model by Cox (2001) can be used in organisations that intend implementing diversity management strategies. It indicates that it all starts with the leadership of the organisation for the diversity initiative to work. Then the focus has to be on assessment of the current state of the organisation, an intervention involving education about the change taking place becomes necessary. Following this intervention there needs to be an alignment of systems to the intervention and finally a follow up or monitoring system needs to be in place to monitor the change.

The model by Motwani, Harper, Subramanian and Douglas (1992), emphasises the role of manager in managing diversity, and the human resources division carries all the responsibility for the success of the programme. Models by Cox (2001), Gilbert, Stead and Ivancevich (1999) and Rijamapianina and Maxwell (2002), denote that in recent years organisations attempting to manage diversity recognise the importance of leadership in the whole endeavour. Hence leadership initiates diversity management programmes and their consistent support programme is emphasised.

3.7 ORGANISATIONAL CLIMATE AND DIVERSITY MANAGEMENT

This study investigates the relationship between organisational climate and diversity management; therefore the literature explored these two concepts. Subsequently a literature integration of the concepts diversity management and organisational climate is discussed.

Hayes, Bartle and Major (2002) suggest that in order to create organisations that are effective with diverse employee base, the organisational climate must be appropriate. Hayes et al. (2002) indicate that diversity management moves beyond the isolated implementation programs (e.g. diversity and sensitivity training) to the development of a system-wide approach that involves alignment of organisational culture, reward systems and policies and procedures. This view is also shared by Cox (2001).

Hayes et al. (2002) indicates that it is difficult to alter climate. Firstly climate for opportunity can differ across individuals making it complicated to understand and manage. The complexity of cognitive biases makes the task of managing perceptions a challenge, while differences in values across individuals can make the establishment of “fair” policies and procedures impossible.

Secondly, this theory supports the idea that an individual's immediate work group is important in the development of a climate for opportunity. For example behavior of superior or co-worker will have a disproportionate influence on work group member's perceptions about the organisation. Levinson (1965) suggests that employees view actions by agents of the organisation as actions of the organisation itself. For example, an organisation may adopt an official policy against discrimination within the organisation and the actions of a racist or a sexist supervisor will clearly undermine this policy.

Diversity management efforts should be based on the principles of the systems theory. According to Cox (2001) organisations are social systems. The following are the three main categories of climate that must be examined when aligning systems in order to manage diversity: time, space and people as listed below.

Time Factors

- Length of typical workday
- Days of work per week
- Use of overtime

- Time-off policies (vacation, leave, personal days)
- Retirement policies
- Level of work schedule flexibility

Space Factors

- Cleanliness of workspace
- Extent to which physical barriers separate people at work
- Presence of class distinctions in specifications of physical spaces at work

People Process Factors

- Recruiting practices
- Promotion practices
- Compensation policies
- Performance appraisal practices
- Career development and succession planning practices.

Only a few factors within these categories will be discussed:

• Time-off policies

Time-off policies specify that employees are able to take paid and unpaid time off from work. There is an increasing presence of participation of women in the workforce and dual career couples. The most fundamental implication of these trends is that if your organisation has more liberal time-off policies it would be a better position to attract, retain and motivate a diverse workforce (Cox, 2001).

• Presence of class distinctions

A principle that is virtually universal in human systems is the tendency to organise social groups into status hierarchies. In most societies we find clearly identifiable hierarchies of gender, socio-economic class, work specialisation and race. An organisation's

climate becomes more diversity friendly when it avoids or removes policies and practices that tend to reinforce the existence of such hierarchies (Cox, 2001).

- **Recruiting practices**

The hiring practices of organisations' need to reflect or foster diversity. New entrants in the organisation must align better with diversity management. By reflecting diversity in selection tools, this allows for the selection of recruits that deal easily with diversity issues (Cox, 2001).

- **Performance management**

In addition to the elements of the performance management process, the diversity management competency must be added, evaluated and rated. To include this, competency specific behaviours should be indicated, that the organisation wants to encourage from employees in order to foster a climate that is supportive of diversity (Cox, 2001).

- **Career development factors**

This can be achieved by addressing the following issues:

- **Job posting:** advertising jobs so that people from all walks of life can see them and apply. Also ensure that the screening process is fair which increases the diligent consideration of all job applicants.
- **Annual Development Planning:** Personal development plans can be used for development towards current jobs and it can also be used to a pool of qualified members of unrepresentative employees for the development of future expected job vacancies.

- **Succession planning**

It involves identifying individuals in an organisation who are potential replacements for people occupying key jobs and ensuring that they get the development they need to fill these jobs. Diversity can be brought into this process by ensuring that the profile of succession planning candidates are representative of diversity dimensions like gender, race and work specialisation. Secondly the organisation needs to ensure that possible successors for key jobs are diversity competent (Cox, 2001).

3.7.1 Positive climate for diversity model, Hicks-Clarke and Iles (2000)

The positive climate for diversity model (PCFD) was developed by Hicks-Clarke and Iles (2000). This model is based on the works of Kossek and Zonia (1993) and Cox (1993), who developed a model of diversity based on the argument that, in order to have a positive climate for diversity, then there must be a demographic mix of people at management level in an organisation.

Kossek and Zonia (1993) propose that there is a relationship between climate and diversity. They argue that in organisations, power is still held by white males and this has created a homogeneous culture. Organisational climate seems to be influenced by the power each group has. Kossek and Zonia (1993) postulate that removing the barriers between the groups in the organisations would help remove prejudices. Kossek and Zonia (1993) maintain that climates of organisations are affected by equal opportunity policies, access to resources and opportunities in the organisation and by how individuals and groups view these policies. Cox (1993) proposed a model of creating a climate that is conducive to diversity, the interactional model of cultural diversity. This model links human resources diversity to climate. In his model Cox (1993) argues that an organisation which develops a climate which encourages and supports all employees and in which all employees have equal opportunities will be better positioned than their competitors, as their employees will be more motivated and creative.

According to the positive climate for diversity (PCFD) model the following climate factors are relevant to creating a positive climate for diversity. Firstly, individual characteristics such as gender and managerial level, secondly, elements such as organisational policies and thirdly the outcomes of the PCFD including job satisfaction and career commitment at individual level, and at organisational level outcomes such as greater efficiency, productivity and customer service may then flow from these positive individual outcomes (Hicks-Clarke & Iles, 2000). This model hypothesises that diversity climate will affect a variety of individual level outcomes especially individual career and organisational attitudes and perceptions. According to Hicks-Clarke and Iles (2000), diversity climate is said to include policy support for diversity and the perception of organisational commitment, job satisfaction, career future satisfaction and satisfaction with the manager. These factors are moderated by a variety of variables, such as gender, ethnicity, age, marital status, care responsibilities, ability/disability and management level. The primary aim of Hicks-Clarke and Iles's study was to explore the impacts of diversity climate (as assessed by policy support for diversity and recognition of equity i.e. organisational justice, support for diversity and recognition of need for diversity) on a variety of individual career and organisational attitudes and perceptions, such as organisational commitment, career satisfaction and satisfaction with manager and career planning.

The secondary aim was to explore whether these impacts were moderated by age, gender, ethnicity, managerial level, marital status, care responsibilities, disability/ability and management level. The result of the study showed that the managerial attitudes and perceptions towards a positive climate for diversity became more positive as management level increased. The need for diversity at management levels in the organisation also showed a significant difference with women believing that it was more needed than men, but men believed the organisation supported diversity initiatives. In general, the results of this study showed that a positive climate for diversity is strongly related to the presence of positive organisational, job and career attitudes. The study by Hicks-Clarke and Iles (2000) recommends that in order for organisations to create a

positive climate for diversity they should consider elements such as diversity policies and procedures. Hicks-Clarke and Illes's model highlights those elements of climate that impact positively on diversity. Hicks-Clarke and Illes (2000) indicate that there is a relationship between organisational climate and diversity.

3.8 CHAPTER SUMMARY

The concept diversity management was clarified and defined and the different approaches to diversity management discussed. Various concepts and models were also discussed and the relationship between diversity management and organisational climate was addressed. Chapter 4 deals with the empirical research.

CHAPTER 4

EMPIRICAL RESEARCH

4.1 INTRODUCTION

Organisational climate and diversity management were discussed in chapters two and three, respectively. This chapter will empirically examine the relationship between organisational climate and diversity management.

4.2 OBJECTIVES OF THE STUDY

The primary objective of this study was to explore the relationship between organisational climate and diversity management. The empirical objectives of this study were to:

- determine the relationship between organisational climate and diversity management.
- determine whether there are any differences between the different biographical groups such as gender, race, age, years of service and employment status with regards to their views of diversity management in their organisation.

4.3 SAMPLE IDENTIFIED

A sample of 4 549 employees of one South African retail company was used. This data was made available by the Centre of Industrial and Organisational Psychology at the University of South Africa (Unisa). The participants ranged from top management to operational employees, covering all the biographical subgroups such as race, age, years of service, employment status/level, gender and disability groups.

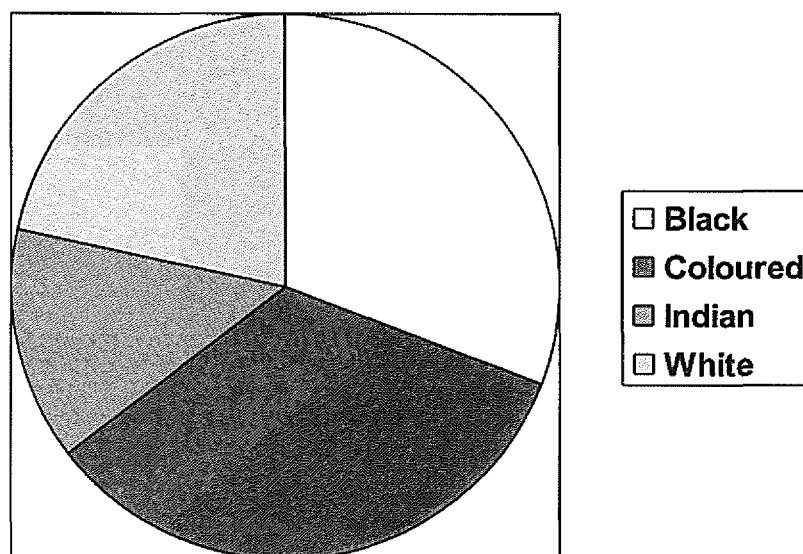
4.3.1 Race composition of the sample

Of the respondents, 28,6% were Black, 31% were Coloured, 12,7% were Indian, 20,1% were White and. According to table 4.1, 7,5% of the respondents did not indicate their race. An assumption might be made that these respondents feared being identified.

Table 4.1 Distribution of the race groups in the sample

Race	Black	Coloured	Indian	White	No responses
Number of participants	1302	1411	579	916	341
Percentage of total sample	28,6%	31,0%	12,7%	20,1%	7,5%

Figure 4.1 Pie chart of the race split of the sample



From the composition of the sample in figure 4.1, it can be assumed that this sample is biased towards the Western Cape.

4.3.2 Composition of the gender groups in the sample

Of the respondents, 29,6% were male, 50,9% were female and 19,5% did not indicate their gender. Again, it can be assumed that these respondents feared to be identified (see table 4.2).

Table 4.2 Distribution of the gender groups in the sample

Gender	Male	Female	No responses
Number of participants	1348	2 315	886
Percentage of total sample	29,6%	50,9%	19,5%

4.3.3 Composition of the age group in the sample

Of the respondents, 13,3% as under 25 years old ,35,9% indicated their age as between 25-34; 27,2% as between 35-44, 15% as between 45-54, 3,6% as 55 or older and 5% did not indicate their age, (see table 4.3).

Table 4.3 Distribution of the age groups in the sample

Age	Under 25 years old	25-34 years old	35-44 years old	45-54 years old	55 years or older	No response
Number of participants	604	1634	1237	681	166	227
Percentage of total sample	13,3%	35,9%	27,2%	15,0%	3,6%	5,0%

4.3.4 Composition of the years of service in the sample

According to table 4.4, of the respondents, 7,2% have less than 1 year of service, 21,6% have more than 1 but less than 5 years of service , 20,1% have more than 5 but less than 10 years of service , 23,5% have more than 10 but less than 20 years of service , 7,3% have 20 years or more of service and 20,2% did not indicate their years of service. Based on this, an assumption can be made that this organisation seems to be recruiting school-leavers at a slow pace.

Table 4.4 Distribution of the years of service groups in the sample

Years of service	Less than 1 year	More than 1 but less than 5 years	More than 5 but less than 10 years	More than 10 but less than 20 years	20 years or more	No responses
No of participants	329	981	914	1071	333	921
Percentage of total sample	7,2%	21,6%	20,1%	23,5%	7,3%	20,2%

4.3.5 Composition of the employment status groups in the sample

Of the respondents, 1,7% were in top management, 14,9% were in senior management, 13,2% were professionally qualified, experienced specialists in middle management, 13,6% were technically and academically qualified, 31,2% had semi-limited and 5,1% had limited skill requirement and defined decision making, and discretionary decision making. Of the respondents and 20,3% did not respond to this question (see table 4.5). An assumption can be made that by indicating their employment status, their identity would be known.

Table 4.5 Distribution of the employment status groups in the sample

Employment status	Top management	Senior management	Professional	Skilled technical	Semi-skilled	Limited skill	No response
Number of participants	77	677	602	620	1419	230	924
Percentage of Total sample	1,7%	14,9%	13,2%	13,6%	31,2%	5,1%	20,3%

4.4 THE RESEARCH INSTRUMENT

The data was collected using a questionnaire containing 223 items to measure various constructs relating to organisational climate and diversity.

4.4.1 Rationale and background

In the years 2000/2001 the Centre for Industrial and Organisational Psychology at UNISA conducted research to assist an organisation to identify its climate.

A sample of 4549 employees from a listed retail organisation consisting of seven subsidiary companies with branches all over South Africa participated in the survey. This questionnaire was developed and validated in a study in 2003. Kays and Cotiis (as cited in Martins & Von der Ohe, 2003) categorised various dimensions labels and through this process, eight dimensions of the universe of psychological climate perceptions were identified, namely autonomy, cohesion, trust, pressure, support, recognition, fairness and innovation. Of the thirteen dimensions that emerged from the factor analysis in Martins and Von der Ohe's study, diversity items were found under policies and procedures, fairness of organisational practices and employment equity (Martins & Von der Ohe, 2003).

4.4.2 Objective of the research instrument

The overall objective of the research instrument was to validate an organisational climate questionnaire that was adapted and used during a phase of organisational and environmental change (Martins & Von der Ohe, 2003).

4.4.3 Contents of the questionnaire

The questionnaire consisted of two sections. Section 1 focused on organisational climate dimensions. These dimensions were measured on a scale of 1 to 5, ranging from 1 strongly disagree, 2 disagree, 3 unsure, 4 agree to 5 strongly agree. Section 2 focused on the biographical information of the participants, such as age, years of service with the organisation, employment status, business unit/branch, gender, race and disability.

4.4.4 Dimensions measured

Martins and Von der Ohe's (2003) questionnaire measured thirteen dimensions of climate which are discussed below.

- **Management and leadership style:** This dimension includes managerial functions, such as coaching, role of senior management, means to achieve objectives and information sharing.
- **Policies and procedures:** This dimension focuses on the fairness of a number of policies and procedures, such as recruitment, selection, promotions, succession planning, diversity, HIV/AIDS and retention. All these procedures can influence perception of fairness and equality in an organisation.
- **Attracting and retaining:** This dimension grouped all the aspects of the reasons why people join a company and why they stay, such as equal opportunities, management quality, job security, advancement opportunities and work/life balance.
- **Fairness of organisational practices:** This dimension focuses on different issues that may be perceived as fair/unfair in an organisation, such as equality, gender, racism, affirmative action, discipline and grievances.
- **Training and development:** This dimension focuses on elements of training and development, such as providing training programmes, career development and the application of training.
- **Organisational values:** This dimension focuses on the values of the organisation.
- **Work environment:** This dimension focuses on working conditions and set-up of work environment that may influence employees' job satisfaction or effectiveness.
- **Recognition and rewards:** This dimension focuses on rewards for and recognition of good performance.

- **Teamwork:** This dimension focuses on aspects that impact on effective teamwork, such as team trust, co-operation and motivation.
- **Strategic focus:** This dimension focuses on the overall satisfaction with organisational vision and mission and their alignment with departmental and individual objectives.
- **Performance management:** This dimension measures satisfaction with all aspects of performance management, such as the performance agreement, understanding of the process of, and training in performance management.
- **Employment equity:** This dimension focuses on the expectations and implication of employment equity and processes needed to support it, such as diversity management.
- **Discrimination concerning promotions:** This dimension focuses on discrimination relating to promotions of the different races, gender, disability and age groups.

4.4.5 Validity and reliability of the questionnaire

4.4.5.1 Validity

Whiston (2000:68) describes validity as “concern with what the instrument measures and how well it does the task”. Harriman (1980: 211) describes validity as “the degree to which a psychological test or measure actually predicts the criterion or whatever it is intended to measure”. Validation is the process of improving the predictive values of a test or measure (Harriman,1980).

Factor analysis was conducted to assess whether the instrument/measurement measures substantive constructs. The principal component analysis (PCA) was used with the aim of identifying minimal set of factors that accounted for a major portion of the total variance of the original items, and the intercorrelations matrix was rotated according to the varimax methods (Martins & Von der Ohe, 2003). The results of the principal components analysis (PCA) showed that only seven items of the 223 items had factor loadings of lower than 0,30 (Martins & Von der Ohe, 2003). A second order

factor analysis was conducted on factor 1, and four sub-factors were identified with eigenvalues of greater than 1,00 (Martins & Von der Ohe, 2003).

According to Hair, Anderson, Tatham and Black (1995), all factors with eigenvalues of 1,00 or greater should be retained. This was applied in the current study. The above results indicate that the factors identified in this measurement are valid.

4.4.5.2 Reliability

Whiston (2000) explains reliability as the degree to which an instrument's scores are free from errors of measurement. Harriman (1980) describes reliability as the extent to which a test or series of observations is dependable, self-consistent and stable. The reliability of this questionnaire was determined by means of item analysis, using Cronbach's Alpha coefficient (Martins & Von der Ohe, 2003). The reliability score ranges from (0,00 to 1,00) and 1,00 being a perfect reliability (Whiston, 2000).

The internal consistency of the thirteen dimensions varies from 0,8566 to 0,9723 (see table 4.6).

Table 4.6 Results of the item analysis for the second-order factors 1-4

Factor	Sub-factor	No of questions	Cronbach's Alpha coefficient
Management and leadership style (factor 1)	• Leadership style	12	0,9424
	• Trust	12	0,9382
	• Role of senior management	5	0,8307
	• Coaching	5	0,8862
	• Two way communication	5	0,8182
	• Means to achieve objectives	4	0,7691
Policies and procedures (factor 2)	• Policies and procedures 1	10	0,9340
	• Policies and procedures 2	10	0,9263
	• Communication of policies and process 1	7	0,8384
	• Communication of policies and procedures 2	3	0,8606
Attracting and retaining talent (factor 3)	• Retaining	9	0,9016
	• Attracting (managerial role)	5	0,8265
	• Attracting (general)	4	0,7291
	• Work/life balance	3	0,7385
	• Attracting (benefits)		
Fairness of organisational practices (factor 4)	• Equality	10	0,9007
	• Discipline and grievances	6	0,8117
	• Affirmative action	4	0,8185
	• Race groups	4	0,8335
	• Gender equality	4	0,7276

Source: Martins and Von der Ohe (2003)

The above results indicate that the factors on these measures have an extremely good reliability index.

4.4.6 JUSTIFICATION FOR USING THE INSTRUMENT

The current study focused on determining the relationship between organisational climate and diversity management. The climate instrument developed by Martins and Von der Ohe (2003) has items that measure both variables of the study: organisational climate and diversity management.

Martins and Von der Ohe (2003) collected data, analysed the factors and the reliability of the instrument (see section 4.4.5.2). A sample from the same retail company was used, which is smaller than the one of the original study by Martins and Von der Ohe (2003). This instrument was suitable for this study as it had been adapted to suit the changing work environment of the retail company concerned. Dimensions adapted were leadership style, diversity, organisational values, fairness of policies and procedures were added (Martins & Von der Ohe, 2003).

4.5 DATA COLLECTION

In this study, the researcher used data collected by the Centre for Industrial and Organisational Psychology at UNISA. Data was analysed using the methodology described below.

4.6 DATA ANALYSIS AND STATISTICAL ANALYSIS METHOD

The current study focused on the variables organisational climate as the dependent variable and diversity management as independent variable. The statistical package used was the Statistical Package for the Social Sciences (SPSS).

The following data analysis methods were used in the study to interpret the data:

- 1) A confirmatory factor analysis
- 2) Item analysis to identify the reliability index of the instrument
- 3) Correlation between the factors measuring diversity and those measuring organisational climate
- 4) T-test results between males and females, their view on diversity
- 5) One-way ANOVA results between the employment status groups, their view on diversity
- 6) One-way ANOVA results between the race groups, their view on diversity
- 7) One-way ANOVA results between age groups on their view of diversity
- 8) One-way ANOVA results between the years of service of the employees, their view on diversity.

4.6.1 Factor analysis

In order to determine the validity of the current study factor analysis was conducted. Harriman (1980:60) defines factor analysis as “a procedure for analysing the intercorrelations among arrays of scores in order to determine those factors, real or hypothetical involved”. Factor analysis was conducted to ensure that organisational climate and diversity management factors are measured by the instrument. This involved supporting the factors analysis results found in Martins and Von der Ohe (2003).

In order to do this, Principal Component Analysis (PCA) was used, and to determine intercorrelations, the Varimax method and covariances were used. The Principal Component Analysis (PCA) was used because it maximizes the sum of variances of required loadings of the factor matrix. This method indicates a clear positive or negative association between the variable and the factor or lack of relationship thereof (Hair, Anderson, Tatham & Black, 1995).

The varimax method was used because it is an orthogonal rotation method which minimises the number of variables that have high loadings on each factor, thus it simplifies the interpretation of the factors. The latent root criterion which specifies that all factors with eigenvalues of unity (1,00) or greater should be retained, was used. In the present study all factor loadings with less than 0,30 were considered not significant.

4.6.2 Item analysis

In determining the reliability of the study, internal consistency was determined. Due to the scale used in the measuring instrument, Cronbach's Alpha coefficient was used to determine the reliability, taking into consideration the variance of each item. The range is between (0,00 to 1,00) with 1,00 indicating a perfect reliability (Whiston, 2000).

4.6.3 Correlation

Tilley (1990:2) describes correlation as "the relationship where changes in one variable are associated with, but not necessarily directly cause or produce changes in another variable". In supporting the main aim of the empirical study, a correlation between organisational climate and diversity was conducted. The study focused on the two characteristics of correlation, namely the type and strength of the relationship. To determine the type of relationship between these two variables the linear or non-linear relationship between them was determined. The best descriptor for this investigation is the correlation coefficient. The study also determined the strength of the relationship between the variables of the study.

4.6.4 T-tests

Dyer (1995) states that a T-test is a powerful parametric procedure, which compares the means of the two sets of scores in order to determine whether the differences between them are significant at the chosen level of probability. The independent subject's version was used. The t-statistic was used for analysis, which reflects the magnitude of the

difference between the means. In partially meeting the second empirical aim of the study, namely to determine whether any differences existed between males and females on their view of diversity, the significance level of the T-test was set at 0,05.

4.6.5 One-way ANOVA

In meeting the second empirical aim of the study, namely to determine whether any differences existed between the different biographical groups, such as age, race, years of service and employment status, with regard to their view of diversity in their organisation, one-way ANOVA was used to determine between and within groups differences. The Bonferroni alpha was used to determine any significant differences between the groups whilst conducting the post hoc analysis. This statistic focuses on the variability between the group means. The Bonferroni test was chosen because when only the One-way ANOVA is conducted, it does not indicate clearly which specific sub-groups are significant or not significant. According to Howell (1995), the Bonferroni test is an acceptable compromise between the Fisher and Scheffé tests. The main advantage of using the Bonferroni test is that it allows the researcher to compare the means of the data collected. This study focused on the variance of scores within groups and between the groups. In performing the one-way ANOVA, the null-hypothesis was tested.

4.6.6 Effect size and power of a test

Due to the large sample size of the study, it was decided to determine the effect size of the sample in order to establish the level of errors in the sample. Howell (1995:270) defines effect size as “the difference between two populations means divided by the standard deviation of either population”. Effect size is also regarded as the probability of rejecting the null hypothesis (Graziano & Raulin, 2000). It is important to look beyond the level of significance in our interpretation to also look at the effect size.

Power is regarded by Howell (1999) as the probability of correctly rejecting a false null hypothesis. The power of an instrument is very high if it is in the 0, 80's and low if it is in the 0, 30's.

4.7 CHAPTER SUMMARY

This chapter discussed the methodology by focusing on the objectives of the study, sample, instrument and data collection. Chapter 5 discusses the data analysis and interpretation, and the results of the present study.

CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

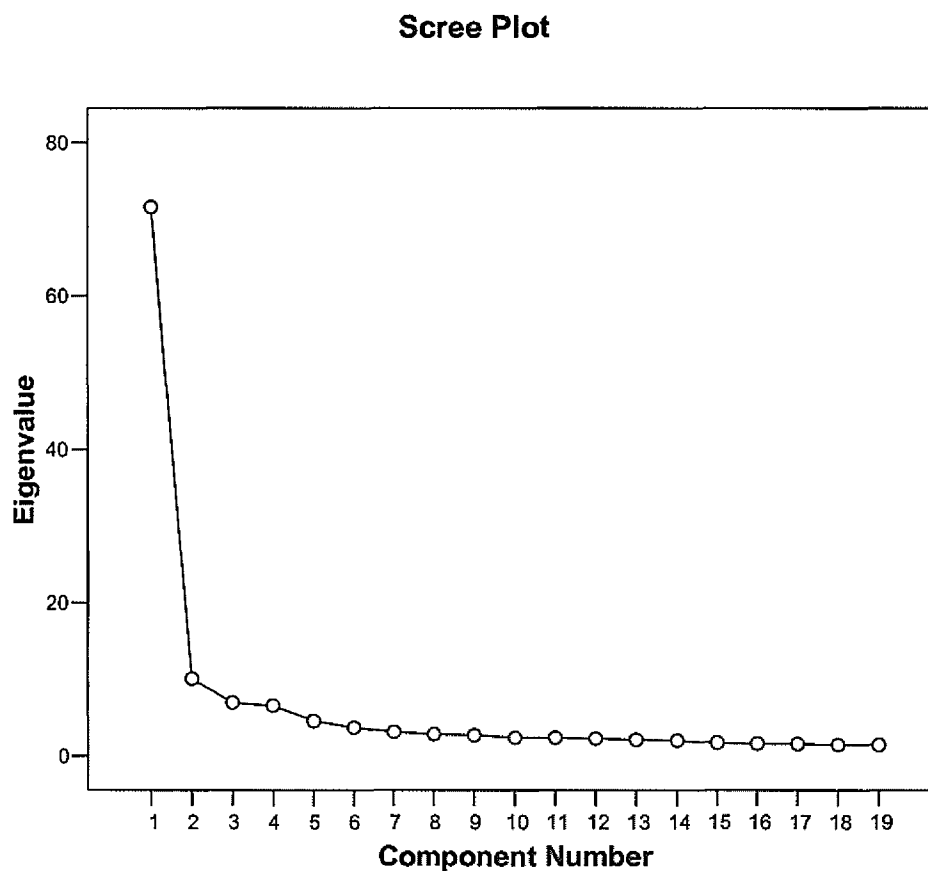
Chapter 4 discussed the research methodology in examining the relationship between diversity management and organisational climate. This chapter describes the data analysis and interpretation.

5.2 FACTOR ANALYSIS

Factor analysis was done with the aim of extracting the minimum number of factors representative of the data.

The latent root criterion (see chapter 4) was supported by the Scree-tail test, an approach used to identify the optimum number of factors that can be extracted before the amount of unique variance begins to dominate the common variance structure. The shape of the resulting curve is used to evaluate the cut-off point. The point at which the curve first begins to straighten out indicates the maximum number of factors to extract (Hair, Anderson, Tatham & Black, 1995). In determining the number of factors to extract, eigenvalues were set at 1,0 together with the Scree-test criterion. The results are represented in figure 5.1.

Figure 5.1 Scree plot: Factor analysis



From figure 5.1, 13 factors are the maximum number of factors that can be extracted from the Scree plot. After 13 the line starts to become horizontal. The results in table 5.1 indicate that the 13 factors accounted for 51% of the variance. It can also be observed from figure 5.1 that factor 1 contains nearly all the items.

Table 5.1 Total variance explained

Component	Initial eigenvalues	Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	90,104	90,104	29,725	29,725	31,569	10,415	10,415
2	13,806	13,806	4,554	34,279	28,958	9,553	19,968
3	9,711	9,711	3,204	37,483	17,752	5,856	25,824
4	7,041	7,041	2,323	39,806	11,495	3,792	29,616
5	5,841	5,841	1,927	41,733	10,515	3,496	33,085
6	4,707	4,707	1,553	43,286	7,418	2,447	35,532
7	4,361	4,361	1,439	44,724	7,160	2,362	37,894
8	3,861	3,861	1,274	45,998	7,011	2,313	40,207
9	3,663	3,663	1,208	47,206	6,277	2,071	42,278
10	3,358	3,358	1,108	48,314	7,420	2,448	44,726
11	3,178	3,178	1,048	49,362	6,394	2,109	46,835
12	2,971	2,971	0,980	50,342	6,746	2,225	49,061
13	2,882	2,882	0,951	51,293	6,767	2,232	51,293

Extraction method principal component analysis

After the first order factor analysis was conducted the following thirteen factors were identified and named (see section 5.2.1). The naming of the factors was based on the variables that had the highest loadings in that particular factor (Hair, Anderson, Tatham & Black, 1995). All thirteen factors were assigned names or labels; the variables had a positive significant relationship with the respective factors to varying degrees. All the variables included in the factor analysis had loadings of higher than 0, 30. Only one variable had a less than 0, 30 loading, which was “I know the reasons for the existence of the employment equity programme”. This variable was included in the item analysis to test whether it supports the results of the factor analysis.

5.2.1 Naming of factors

- Factor 1: Policies and Procedures: This dimension included variables with loadings between 0,678 and 0,315. These loadings are significant with 0,678 having excellent

loading and 0,315 having moderate loading. This dimension includes policies and procedures on issues such as discrimination, recruitment, selection succession planning, HIV/AIDS, discipline and retention. It also encompasses diversity management and initiatives. The highest loading variable on this factor was “Unfair discrimination regarding promotions towards Blacks”.

- Factor 2: Management and leadership: This dimension had variables loading between 0,773; which is extremely good and 0,335 which has moderate loading. This dimension deals with the management style in the organisation, the support the management gives to employees, and overall the way management relates to employees. The highest loading variable on this factor was “My immediate manager’s style is participative”.
- Factor 3: Attraction and retention: This factor had items loading between 0,678 and 0,462 which are significant. The dimension deals with attraction and retention factors in the organisation that make employees come and stay with the organisation. The highest loading variable on this factor was “equal opportunity is a factor in my decision to come to the company”.
- Factor 4: Employee development: This dimension had items loading between 0,724 and 0,507 which are highly significant. This dimension covered training, development, the type of training offered and the opportunities to go for training. It also dealt with the career development within the organisation. The highest loading variable on this factor was “Organisation A provides training programmes that meet my personal development needs”.
- Factor 5: Organisation values: This dimension had items loading between 0,631 and 0,440 which are highly significant. This dimension includes the way things are done in the organisation and the organisation’s values. The highest loading variable on this factor was “Organisation A treats all staff like family”.
- Factor 6: Strategic Focus: This dimension has items loading between 0,469 and 0,309 which are significant. This dimension includes the direction of the organization, its goals and objectives, the buy-in of the employees into the strategy of the organisation. The highest loading variable on this factor was “I know the values of the company”.

- Factor 7: Information management: This dimension had items loading between 0,540 and 0,412 which are significant. The dimension includes the way the organisation distributes information, if it is effective or not and the sources that they use. The highest loading variable on this factor was “the following source supplies me with sufficient information about Organisation A and my work environment: Early morning training sessions (EMT’s)”.
- Factor 8: Relationships: This dimension had items loading from 0,694 to 0,306 which are significant. This dimension includes support in and between departments, trust in the organisation and teamwork among employees. The highest loading variable on this factor was “in my department we motivate and support each other”.
- Factor 9: Employment equity: This dimension had items loading between 0,534 and 0,412 which are significant. This dimension includes how employees view employment equity, its impact on them and whether they support it or not. The highest loading variable on this factor was “Whites do not have any fears because of employment equity”.
- Factor 10: Physical environment: This dimension had items loading between 0,701 and 0,393 which ranges from being highly significant to significant. This dimension includes the state of recreational facilities, canteens and the physical-working environment. The highest loading variable on this factor was “the canteen is always in a clean and hygienic state”.
- Factor 11: Technology: This dimension had items loading between 0,580 and 0,336 which were significant. This dimension includes resources needed to accomplish tasks, including technology, equipment, work methods and clear job descriptions. The highest loading variable on this factor was “the resource I use to carry out my work is sufficient”.
- Factor 12: Performance management: This dimension had items loading between 0,619 and 0,468 which range from being highly significant to being significant. This dimension includes knowledge about the performance management system and how regularly it is done. The highest loading variable on this factor was “I have been trained or prepared in the performance management system”.
- Factor 13: Rewards: This dimension had items loading between 0,715 and 0,434,

which ranges from being highly significant to being significant. This dimension includes salary, how market-related it is, benefits, promotion prospects and incentives schemes. The highest loading variable on this factor was “my salary matches the responsibilities I have”.

5.2.2 Naming of the second order factors for factor 1

A secondary factor analysis on factor 1 was done. Eight factors emerged in the second order factor analysis. The second variable in the study, diversity management, did not come out as a factor in the original factor analysis. It loaded as the second highest variable in factor 1, after the secondary factor analysis (see section 5.2.1). The sub-factors were named according to the principle of the highest loading variable in that particular factor (Hair, Anderson, Tatham & Black, 1995). All the variables in the second factor analysis had factor loadings of higher than 0,30 except for one, “I know how employment equity will affect me”, had a factor loading of 0,297. In total, eight sub-factors were identified and they are discussed below:

Diversity management: The following sub-dimension deals with diversity in the workplace, how it is managed, it focuses on the different cultures in the organisation, the relations between the different cultures, the way jobs are assigned to all the races in the organisation, the level at which the organisation is genuine at trying to improve race relations in the organisation and the accommodation of the different ethnic cultures in the organisation.

Policy and procedures on job-related issues: This sub-dimension focuses on the fairness of policy and procedures on performance and evaluation, job assignments, training and development, corporate culture and retention measures.

Policy and procedures on recruitment and selection: This sub-dimension focuses on fairness of selection, recruitment, advertising of positions, job classification and grading, promotions, and transfers.

Employee relations: This sub-dimension focuses on how seriously management takes its employees. It deals with issues of whether management takes issues that matter to employees seriously, the ideas that they come up with and the fairness with which they treat their employees.

Discrimination: This sub-dimension deals with discrimination in the organisation, in terms of promotion for the different races, people with disabilities, women and specific age groups.

Gender issues: This sub-dimension deals with the way the organisation treats women, regarding sexual harassment, opportunities for advancement and also the extent to which the organisation regards them as an asset.

Favouritism: This sub-dimension deals with issues of favouritism and tokenism, the extent to which these practices are prevalent in the organisation.

Equality in conditions of employment: This sub-dimension deals with the extent to which employees on the same level receive equal working conditions, equal benefits and pay.

5.2.3 Discussion of results: factor analysis

The results obtained from the factor analysis are indicative of dimensions in organisational climate. With regard to the focus of the study, namely the relationship between organisational climate and diversity, the results of the original factor analysis found thirteen organisational climate dimensions, and diversity management was not one of them. Diversity management emerged as a sub-factor in factor 1, policies and procedures with the first item of diversity loading at 0,532, which is very significant. The seven sub-dimensions seem to measure fairness in the organisation. The factor employment equity emerged as factor to be measured in future climate surveys especially in the South African context and in other international organisations. The

current study used the questionnaire validated by Martins and Von der Ohe (2003). The results show that most of the factors identified correlate, such as management style, policies and procedures, attracting and retaining talent, training and development, organisational values, recognition and rewards, work environment, strategic focus, performance management and employment equity. Only three dimensions do not correlate with those identified by Martins and Von der Ohe (2003), namely discrimination regarding promotions, teamwork and fairness of organisational practices. The results of the secondary factor analysis indicated diversity management as a sub-factor along with seven other sub-factors of factor 1.

5.3 RELIABILITY

Reliability analysis was conducted to prove the dependability of the study and the items used in the study. Reliability is regarded as the relative absence of errors of measurement in a measuring instrument. Below in table 5.2 are results of the reliability analysis.

Table 5.2 Reliability of the climate dimensions

Climate dimensions	Cronbach's alpha coefficient	
	Reliability coefficient	Number of items
Policies and procedures	0,977	60
Management style	0,972	37
Employee attraction and retention	0,943	24
Employee development	0,932	10
Organisational culture/values	0,940	12
Strategic focus	0,859	16
Information management	0,891	10
Relationships	0,873	9
Employment equity	0,843	8
Resources	0,869	9
Technology	0,868	12
Performance management	0,886	7
Remuneration	0,897	8
Total	0,989	222

5.3.1 Discussion of the results: reliability analysis

According to the results in table 5.2, the overall reliability coefficient of all the dimensions was 0,989. This was very high, which symbolised that the instrument was reliable. Only one item had factor loadings of less than 0, 30, “employees understand how the grievance procedure works”. It was decided to keep this item in the item analysis to determine whether it would affect the results of the analysis. From the results it was clear that the overall reliability coefficient was not affected by this item, the reliability remained at 0,977 (see table 5.2). The internal consistency of the thirteen dimensions ranged from 0,859 to 0,977. The internal consistency of the current study differed slightly from Martins and Von der Ohe’s (2003) study as the internal consistency in that study ranged between 0, 8566 and 0, 9723. The difference between the internal consistency of the current study and the study of Martins and Von der Ohe (2003) were not significant. The difference might be due to the sample size as Martins and Von der Ohe’s (2003) study had a sample of over 8000 and the sample in this study was 4900.

Table 5.3 Reliability of the second-order factors for factor 1

Factor	Sub-factors	No of questions	Cronbach's Alpha coefficient
Policies and procedures (Factor 1)	• Diversity management	16	0,934
	• Policy and procedures: job content	11	0,922
	• Policy and procedures: selection and recruitment	10	0,937
	• Policy and procedures: employee relations	8	0,872
	• Discrimination	6	0,896
	• Gender issues	4	0,720
	• Favoritism	3	0,746
	• Equality in conditions of employment	3	0,783

From table 5.3 it is clear that sub-factors diversity management, policy and procedures: job content, policy and procedures: selection and recruitment, policy and procedures: employee relations, discrimination and gender issues were reliable. The sub-factors gender issues, favouritism and equality in conditions of employment had a reliability of below 0, 80, which indicated that their reliability is lower, still acceptable as they are above 0, 70.

5.4 CORRELATION

The main empirical aim of the study was to determine the relationship between organisational climate and diversity management. In order to establish the relationship between diversity management and organisational climate, a correlational study was carried out.

5.4.1 Correlation between diversity management and all organisational climate dimensions

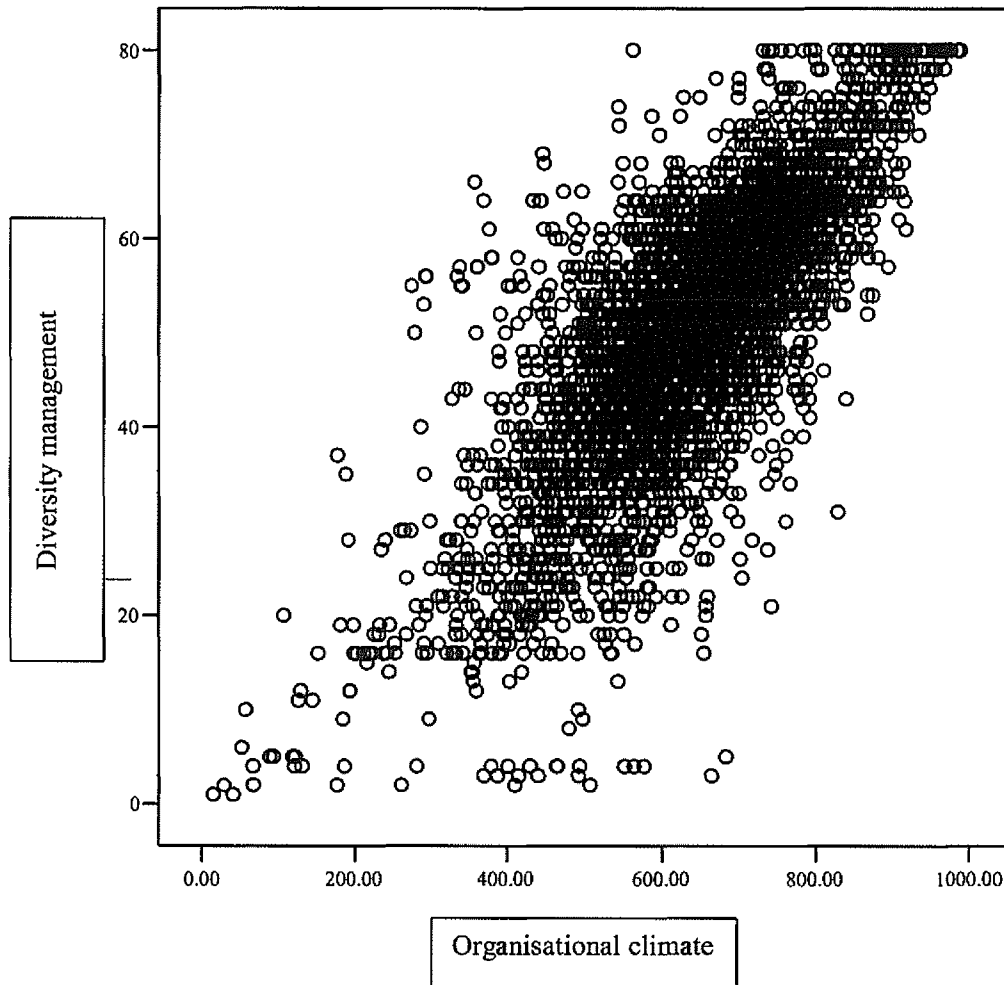
The level of significance was set at 0, 01 level (2-tailed). According to the results in table 5.4, there was a relationship between diversity management and all the other organisational climate dimensions identified from factor analysis conducted in section 5.2.1. The correlation coefficient between diversity management and all the other organisational climate dimensions was 0,775, which was high. This correlation coefficient indicated that the relationship between these two dimensions is strong and positive.

Table 5.4 Correlations between diversity management and organisational climate dimensions

	Diversity management factor	All organisational climate factors (except diversity management)
Diversity management factor	1	0,775
Sig. (2-tailed)		0,000
N	4452	4452
All organisational climate factors	0,775	1
Sig. (2-tailed)	0,000	
N	4452	4537

The Scatter graph, in figure 5.2 indicated that the relationship between diversity management and organisational climate was linear. There was a positive co-variation, an increase in terms of the responses to diversity management implied an increase in responses to organisational climate. The relationships seemed to be the strongest at the level of 60 on the scattergraph. Around the level of 20, there seemed to be a few people who showed random co-variation. For those respondents it was impossible to determine whether there was any kind of regular linear pattern.

Figure 5.2 Scattergraph of correlation between diversity management and organisational climate



5.4.2 Correlation between diversity management and the individual organisational climate dimensions

From the analysis in section 5.4.2, it is clear that there is a relationship between organisational climate and diversity management. The purpose of this section was to determine the relationship between individual organisational climate dimensions and diversity management in order to determine the extent to which each of the dimensions contributed to the observed results.

Pearson's correlation was calculated at the 0, 01 (2-tailed) level. According to the results in table 5.5, diversity management and the following organisational climate dimensions correlated between 0,700 and 0,624, with diversity management, policy and procedures: job content, policy and procedures: selection and recruitment, policy and procedures: employee relations, discrimination, gender issues, equality in conditions of employment, organisational culture/values, strategic focus of the organisation, and employment equity.

This clearly indicates that there is a strong relationship between diversity management and the above organisational climate dimensions, which are also highly significant. The following organisational climate dimensions correlated between 0,577 and 0,452 with diversity management, favouritism, management, relationship, resources, technology, performance management and remuneration. The results showed that these organisational climate dimensions had a relationship with diversity management although not that strong, the relationship was significant.

Table 5.5 Correlations between diversity management and individual organisational climate dimensions

Factor		Diversity management
Diversity management	Pearson correlation	1,000
	Sig. (2-tailed)	0,000
	N	4372
Policy and procedures: job content	Pearson correlation	0,691
	Sig. (2-tailed)	0,000
	N	4334

Policy and procedures: selection and recruitment	Pearson correlation Sig. (2-tailed) N	0,686 0,000 4334
Policy and procedures: employee relations	Pearson correlation Sig. (2-tailed) N	0,700 0,000 4442
Discrimination	Pearson correlation Sig. (2-tailed) N	0,624 0,000 4355
Gender Issues	Pearson correlation Sig. (2-tailed) N	0,639 0,000 4405
Favouritism	Pearson correlation Sig. (2-tailed) N	0,560 0,000 4388
Equality in conditions of employment	Pearson correlation Sig. (2-tailed) N	0,636 0,000 4368
Management	Pearson correlation Sig. (2-tailed) N	0,577 0,000 4451
Attraction and retention	Pearson correlation Sig. (2-tailed) N	0,467 0,000 4434
Employee development	Pearson correlation Sig. (2-tailed) N	0,553 0,000 4399

Organisational culture/values	Pearson correlation	0,687
	Sig. (2-tailed)	0,000
	N	4414
Strategic focus of the organisation	Pearson correlation	0,614
	Sig. (2-tailed)	0,000
	N	4449
Information management	Pearson correlation	0,551
	Sig. (2-tailed)	0,000
	N	4404
Relationship	Pearson correlation	0,452
	Sig. (2-tailed)	0,000
	N	4421
Employment equity	Pearson correlation	0,657
	Sig. (2-tailed)	0,000
	N	4430
Resources	Pearson correlation	0,497
	Sig. (2-tailed)	0,000
	N	4416
Technology	Pearson correlation	0,497
	Sig. (2-tailed)	0,000
	N	4436
Performance	Pearson correlation	0,523
	Sig. (2-tailed)	0,000
	N	4383
Remuneration	Pearson correlation	0,568
	Sig. (2-tailed)	0,000
	N	4400

The above results indicated that diversity management correlated strongly with those dimensions and sub-dimensions of organisational climate that were related to fairness of policies and procedures in the organisation, discrimination, gender issues, culture, strategic focus of the organisation and employment equity. Maier (2002) states that the two concepts employment equity and diversity management are often confused, and hence Maier conceptualised employment equity and diversity management to show the difference between them. The above results prove that though these two concepts are not the same, but there is a strong relationship between them at 0,657.

5.5 T-test

In determining whether there was a difference between the views of male and females on diversity management, a t-test was used for this analysis. In interpreting the t-test results, the mean between these two groups, the significance levels and the t-statistic were analysed. The level of significance was set at 0,05.

5.5.1 Effect size and power of the t-test

It was also important to determine the effect size of the t-test. The effect size for the t-test was at 0,003, which was very low.

5.5.2 Difference between males and females on their view of diversity

The results of the mean difference between males and females regarding their views on diversity management are depicted in table 5.6.

Table 5.6 Group statistic and independent t-test

Gender	N	Mean	Std deviation	Std error mean		t-value	Levene's Test for equality of variances	
							F	Sig.
Diversity management					Diversity management	-3,484	10,958	0,001
"Male"	1348	49,29	15,107	0,411				
"Female"	2315	51,01	13,995	0,291				

According to the results in table 5.6, on average the females scored higher on diversity management at 51, 01 than the males at 49, 29. The t-value (-3,484) is less than the critical value which is -0, 1960. This implies that that the null hypothesis is rejected and that there is a significant difference between the views of males and females. The actual difference between males and females with regards to diversity management is 1, 72, which is small. Due to the large sample size it is significant. The effect size was taken into consideration to determine the practical significance of the observed results. The effect size of the t-test is 0,003, which is very low. In other words the probability of rejecting the null hypothesis is low. Based on this the researcher concludes, that there is no practical significant difference in the views of males and females regarding diversity management.

5.6 ONE-WAY ANOVA

In analysing the views of the respondents based on the different biographical groups, one-way ANOVA's were conducted. Post-hoc tests were conducted using the Bonferroni Alpha coefficient with the significance set at 0, 05 level. Setting the

significance level at 0, 05 reduced type I errors, which were the probability of rejecting the null hypothesis when it should be accepted.

5.6.1 One-way ANOVA between diversity management and the age groups

The overall comparison of the five sub-groups under age indicated (see table 5.7) that they were significant at 0,000, which was below 0, 05.

Table 5.7 One-way ANOVA of diversity management and the age groups

Diversity management

	Sum of squares	df	Mean squares	F	Sig.
Between groups	3991,652	4	997,913	5,420	0,000
Within groups	787893,28	4279	184,130		
Total	791884,93	4283			

Table 5.7 indicated that the differences between the different age groups were significant. According to the results in Table 5.8, the differences between the views of the employees were small. Employees who are “less than 25 years old” held the most positive views regarding diversity management in the organisation, followed by employees who were 45 years and older, and the middle age group had slightly less positive views.

Table 5.8 Mean scores of age groups

"Age group"	Diversity management score
"Less than 25 years old"	53,39
"25-34"	50,65
"35-44"	50,85
"45-54"	51,29
"55 or older"	51,28

The effect size for "age group" is 0,52, which is moderate, in other words there is a moderate probability that there might be a difference in the views of the different age groups regarding diversity management. The power of the age group is 0,90, which is the probability of correctly rejecting a false null hypothesis. The researcher concludes that there was a difference in terms of the views of the different age groups regarding diversity management, the results observed in table 5.8 are considered to be a true reflection, and younger employees had more positive views regarding diversity management in the organisation.

5.6.2 One-way ANOVA between diversity management and years of service

According to the results in table 5.9, the relation between diversity management and years of service was significant.

Table 5.9 One-way ANOVA between diversity management and years of service

Diversity management

	Sum of squares	df	Mean squares	F	Sig.
Between groups	7786,431	4	1946,608	10,756	0,000
Within groups	649359,30	3588	180,981		
Total	657145,73	3592			

It showed that there was a difference between the five groups in the years of service. As indicated in table 5.10, employees with less than one year of service had more positive views regarding diversity management, followed by those who had less than five years of service. The employees who have more than 20 years of service have the least positive views regarding diversity management. An assumption can be made that those employees with less than five years of service are still positive about the organisation, they have not yet developed negative views about the organisation. The observed results of employees with more than 20 years of service, might be due to resistance to change. To determine the practical significance of the observed results it was decided to determine the effect size which is at 0,12. As the effect size for years of service is small, it can be inferred that, regardless of the years of service in the organisation, employees view diversity management the same way. The effect size indicates that there is no practical significance of the observed results in table 5.10.

Table 5.10 Mean scores of the years of service groups

"Years of service"	Diversity management
"Less than 1 year"	55,52
"1 year, but less than 5 years"	51,48
"5 years, but less than 10 years"	50,41
"10 years, but less than 20 years"	50,66
"20 years or more"	49,70

5.6.3 One-way ANOVA between diversity management and race

The results in table 5.11 indicated that there was a significant relationship between diversity management and race.

Table 5.11 One-way ANOVA between diversity management and race

Diversity Management

	Sum of squares	df	Mean squares	F	sig.
Between groups	27737,732	3	9245,99	51,811	0,000
Within groups	743794,59	4168	178,454		
Total	771532,32	4171			

To find out whether there was a difference between the four racial groups, the Benferroni was used. According to table 5.12, there was a definite difference between the views of the different races on diversity management. This is supported by the power of 1,00, which proves that all means are significantly different.

Table 5.12 One-way ANOVA post-hoc tests: race

Multiple Comparisons

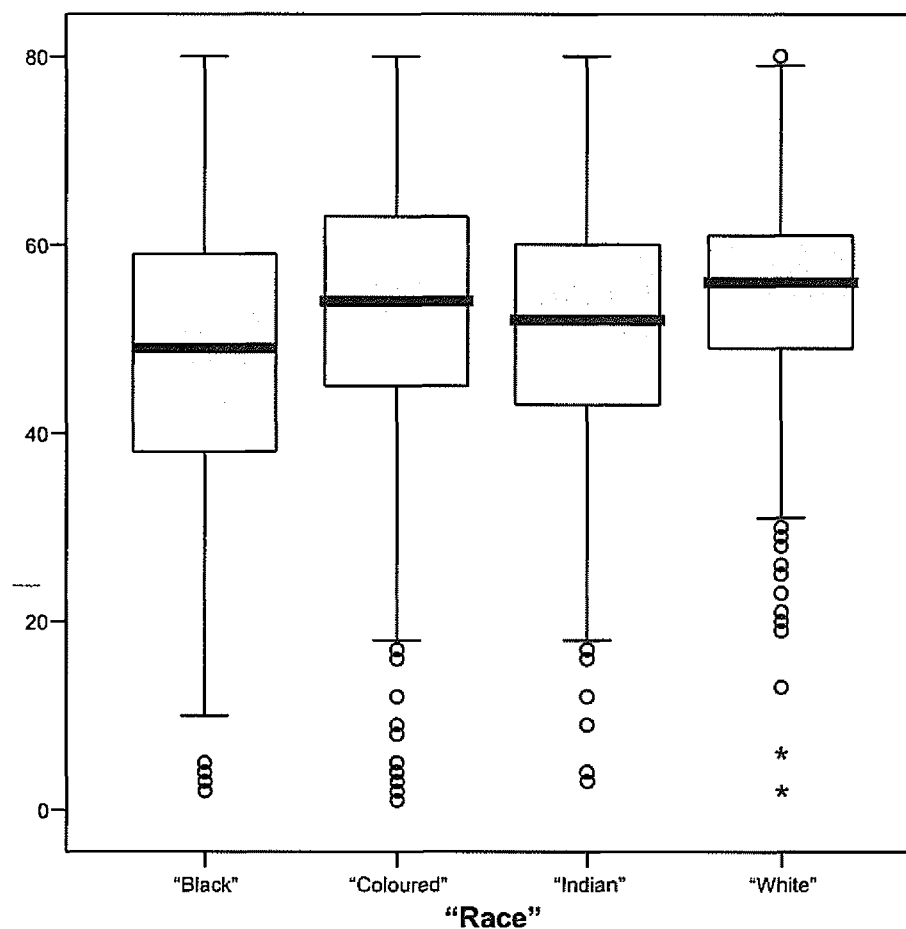
Dependent variable: Diversity management

Bonferroni

(I) "Race"	(J) "Race"	Mean difference (I-J)	Std error	Sig.	95% Confidence Interval	
					Lower bound	Upper bound
"Black"	"Coloured"	-4,522(*)	0,516	0,000	-5,88	-3,16
	"Indian"	-2,443(*)	0,672	0,002	-40,22	-0,67
	"White"	-6,797(*)	0,578	0,000	-8,32	-5,27
"Coloured"	"Black"	4,522(*)	0,516	0,000	3,16	5,88
	"Indian"	2,079(*)	0,664	0,011	0,33	3,83
	"White"	-2,275(*)	0,569	0,000	-3,78	-0,77
"Indian"	"Black"	2,443(*)	0,672	0,002	0,67	4,22
	"Coloured"	-2,079(*)	0,664	0,011	-3,83	-0,33
	"White"	-4,354(*)	0,713	0,000	-6,24	-2,47
"White"	"Black"	6,797(*)	0,578	0,000	5,27	8,32
	"Coloured"	2,275(*)	0,569	0,000	0,77	3,78
	"Indian"	4,354(*)	0,713	0,000	2,47	6,24

According to figure 5.3, White employees had the most positive views about diversity management in the organisation with their responses being more positive with a mean of above 50, followed by Coloured employees at around 50, Indian employees at around 48 and lastly Black employees at around 45. White employees had more positive views regarding diversity management, even though the differences between these groups were small.

Figure 5.3 Graphical representation of the responses of the race groups with regard to diversity management



The effect size for race was 0,036 which according to Howell (1999) is small. In other words the probability of rejecting the null hypothesis is low, consequently there was no difference between the views of the different race groups regarding diversity management. It is concluded that the observed differences are of no practical significance, therefore all the different race groups view diversity management in almost same way.

5.6.4 One-way ANOVA between diversity management and employment status

According to table 5.13, there was a significant difference between diversity management and the six groups in the employment status group as it was below 0,05. This is supported by a power of 0,989, which indicates that almost all the groups view diversity management differently.

Table 5.13 One-way ANOVA between diversity management and employment status

Diversity management

	Sum of squares	df	Mean squares	F	Sig.
Between Groups	4816,938	5	963,397	5,307	0,000
Within Groups	651846,41	3591	181,522		
Total	65663,40	3596			

Table 5.14 indicates the relation between diversity management and the employment status groups. The employment status groups “top management” and “the limited skill requirement and defined decision-making” groups had slightly different views regarding diversity management. All the other groups showed that there was no difference between them, regarding the way they view diversity management.

Table 5.14 One way ANOVA post-hoc tests for employment status

Multiple Comparisons

Dependent Variable: Diversity management

Bonferroni

(I) "Employment status"	(J) "Employment status"	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
"Top management"	"Senior Management"	4,083	1,622	0,178	-0,68	8,85
	"Professionally qualified, experienced specialists and mid management"	2,629	1,631	1,000	-2,,6	7,42
	"Skilled technical and academically qualified workers, junior"	3,248	1,628	0,692	-1,53	8,03
	"Semi-skilled and discretionary decision making"	4,775(*)	1,577	0,037	0,14	9,41
	"Limited skill requirement and defined decision making"	6,342(*)	1,774	0,005	1,13	11,55
"Senior Management"	"Top management"	-4,083	1,622	0,178	-8,85	0,68
	"Professionally qualified, experienced specialists and mid management"	-1,454	0,758	0,827	-3,68	0,77

	"Skilled technical and academically qualified workers, junior"	-0,835	0,753	10,000	-3,05	1,38
	"Semi-skilled and discretionary decision making"	.0,92	0,633	1,000	-1,17	2,55
	"Limited skill requirement and defined decision making"	2,259	1,030	0,426	-0,77	5,28
"Professionally qualified, experienced specialists and mid management"	"Top management"	-2,629	1,631	1,000	-7,42	2,16
	"Senior Management"	1,454	0,758	0,827	-0,77	3,68
	"Skilled technical and academically qualified workers, junior"	0,619	0,772	1,000	-1,65	2,89
	"Semi-skilled and discretionary decision making"	2,146(*)	0,657	0,016	0,22	4,08
	"Limited skill requirement and defined decision making"	3,713(*)	1,045	0,006	0,64	6,78
"Skilled technical and academically qualified workers, junior"	"Top management"	-3,248	1,628	0,692	-8,03	1,53
	"Senior Management"	0,835	0,753	1,000	-1,38	3,05

	"Professionally qualified, experienced specialists and mid management"	-0,619	-0,772	1,000	-2,89	1,65
	"Semi-skilled and discretionary decision making"	1,527	0,651	0,285	-0,38	3,44
	"Limited skill requirement and defined decision making"	3,094(*)	1,041	0,045	0,04	6,15
"Semi-skilled and discretionary decision making"	"Top management"	-4,775(*)	1,577	0,037	-9,41	-0,14
	"Senior Management"	-0,692	0,633	1,000	-2,55	1,17
	"Professionally qualified, experienced specialists and mid management"	-2,146(*)	0,657	0,016	-4,08	-0,22
	"Skilled technical and academically qualified workers, junior"	-1,527	0,651	0,285	-3,44	0,38
	"Limited skill requirement and defined decision making"	1,567	0,958	1,000	-1,25	4,38
"Limited skill requirement and defined decision making"	"Top management"	-6,342(*)	1,774	0,005	-11,55	-1,13
	"Senior Management"	-2,259	1,030	0,426	-5,28	0,77

	"Professionally qualified, experienced specialists and mid management"	-3,713(*)	1,045	0,006	-6,78	-0,64
	"Skilled technical and academically qualified workers, junior"	-3,094(*)	1,041	0,045	-6,15	-0,04
	"Semi-skilled and discretionary decision making"	-1,567	0,958	1,000	-4,38	1,25

* The mean difference is significant at the 0, 05 level.

Based on the above results two assumptions can be made. The first one regarding "top management", due to their level of education and knowledge, they might know more about the concept diversity management and its impact on the productivity of the organisation, hence they view it slightly more positively. The second assumption that can be made regarding employees with "limited skill and defined decision making" might be due to the fact that they are not really aware of what diversity is and its implications on the organisation, consequently they view diversity management slightly less positively.

The effect size of the employment status group was small (0,007). In other words the probability of rejecting the null hypothesis is low. The effect size indicates that the observed differences lack practical significance. The researcher concludes that employees in the different employment status groups view diversity management in nearly the same manner.

5.7 INTEGRATION AND INTERPRETATION OF THE RESULTS

Hicks-Clarke and Iles (2000) found that In order to have an organisation that thrives in diversity, the climate of that organisation needs to be positive. This is indicative of the

fact that there is a relationship between organisational climate and diversity management.

In the current study, the dimensions organisational climate and diversity management were singled out. A factor analysis was conducted to indicate the factors in the study. An initial and a second-order factor analysis were conducted using the principal component analysis. The results showed that diversity management and organisational climate were measured by this instrument which was validated by Martins and Von der Ohe (2003).

In meeting the first empirical aim of the study it was discovered that there was a positive and strong relationship between organisational climate and diversity management. The overall correlation coefficient between diversity management and organisational climate was 0,775. The current study supports the results of Kossek and Zonia (1993), and indicates that there is a relationship between diversity and how individuals in an organisation view the climate of the organisation. Kossek and Zonia (1993) maintained that climate of organisations is affected by equal opportunity policies, access to resources and opportunities in the organisation and how individuals and groups view these policies. Martins and Von der Ohe (2003) in their study revealed that diversity items were found under the dimensions policies and procedures, fairness, organisation practices and employment equity. The current study also supports the findings of Kossek and Zonia (1993), Maier (2002) and Martins and Von der Ohe (2003), as the results clearly indicate that diversity management strongly correlates with fairness of policies and procedures, discrimination, gender issues, culture, strategic focus and employment equity.

The second aim of the study was to determine whether there were any differences between the following biographical groups: age, gender, race, employment status and years of service with regard to their views of diversity management.

Hicks-Clarke and Illes (2000) found that managerial attitudes towards and perceptions of positive climate for diversity became more positive as the management level increased. According to the results of the current study it was discovered that there were no differences in the views of the different employment status/ employment levels groups with regards to diversity management.

Hicks-Clarke and Illes (2000) also discovered that in relation to gender, men viewed diversity initiatives being supported more positively than women. The current study revealed that there were no differences in the views of males and females regarding diversity management.

The results of this study further indicated that the different race groups viewed diversity management in the same way, and this was also the case with the years of service group. The results indicate that younger employees, who are less than 25 years of age, had more positive views regarding diversity management. Middle aged employees between the ages of "25 to 44" had the least positive views regarding diversity management.

The researcher concludes that there is a positive and strong relationship between diversity management and organisational climate.

5.8 CHAPTER SUMMARY

This chapter discussed the analysis and the interpretation of the data. Chapter 6 concludes the study, discusses the limitations of the study and makes recommendations for future research.

CHAPTER 6

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

In concluding this study, the researcher discusses the objectives and limitations of the study and makes recommendations for future research.

6.2 CONCLUSIONS

The researcher's objective was to conceptualise organisational climate and diversity management and to determine whether there is a theoretical relationship between these two concepts.

Secondly, the researcher determined the relationship between organisational climate and diversity management, and if any differences exist between the different biographical groups with regard to their views on diversity management. Finally, the researcher aimed to make recommendations for further research.

6.2.1 Conceptualisation of organisational climate

The literature review indicates that there is no consensus on the definition of organisational climate (Hellriegel & Slocum, 1974; Schmidt, Wood & Lugg, 2003).

The researcher defined organisational climate as a set of characteristics about an organisation and its sub-systems that can be perceived positively or negatively by its members from the way the organisation deals with its members, behaviour in the organisation, structures, processes, policies and its internal and external environment.

It is also discovered that the concepts organisational climate and job satisfaction are related but are not the same. Job satisfaction can be measured as one of the dimensions of organisational climate. In the current study during factor analysis, job satisfaction did not emerge as a dimension. This being the case it does not refute the researcher's conclusion in section 2.5 that job satisfaction can be measured as a dimension of organisational climate.

In addition, there is no consensus on the relationship between organisational climate and organisational culture (Hicks-Clarke & Illes, 2000; Moran & Volkwein, 1992; Scheinder, Bowen & Ehrhart, 2000). The researcher is of the opinion that organisational climate and organisational culture are related, organisational climate evolved from organisational culture, and organisational climate can also influence organisational culture.

6.2.2 Conceptualisation of diversity management

The literature review indicated that diversity management is synonymous with affirmative action and employment equity (Cox, 2001; Harrington, 1993; Maier, 2002; Svehla, 1994; Thomas, 1996; Yakura, 1996). Due to the confusion created by these concepts the researcher decided to conceptualise diversity management and the different approaches used to manage it. Svehla (1994) identified three approaches to diversity: affirmative action, valuing differences, and diversity management. Models of managing diversity management were also discussed, which revealed that more recent models of managing diversity recognised the importance of leadership in managing diversity. The current study also highlights this, as strategic focus correlated strongly with diversity management, and management and leadership correlated moderately with diversity management.

The researcher regards diversity management as a strategic process that an organisation undertakes to create an environment where differences and similarities are acknowledged, valued and utilised to reach organisational goals, using integration

rather than assimilation to create a multicultural organisation. This includes culture, working methods or styles, age, gender, work experience, race, values, norms, religious affiliations and number of years in the organisation.

6.2.3 Integration of the concepts organisational climate and diversity management

Studies identified were those of Cox (1993), Kossek and Zonia (1993), Hayes et al. (2002) and Hicks-Clarke and Illes (2000).

Hayes et al. (2002) assert that to create organisations that are effective with a diverse employee base, the organisational climate must be appropriate. This indicates that it is not sufficient to have a diverse workforce, there is also a need for organisations to create the right organisational climate to complete it. Hicks-Clarke and Illes (2000), postulate that for diversity management to be successful organisations need to develop a positive climate for diversity.

Kossek and Zonia (1993) indicate that there is a relationship between climate and diversity. They argue that power in organisations is still held by white males, diversity management is regarded as unimportant in these organisations. In order to make all employees feel part of the organisation, diversity should be reflected in the policies of these organisations.

Cox (1993) developed an interactional model of cultural diversity that links human resources diversity to climate. According to Cox (1993), an organisation that develops a climate which encourages and supports all employees and in which all employees have equal opportunities will be better positioned than their competitors as their employees will be more motivated and creative. Hicks-Clarke and Illes (2000) developed a positive climate for diversity (PCFD) model. According to this model, a diversity climate affects the way employees perceive their organisation, from the individual level to the organisational level. The model indicates that organisations wishing to create a positive

climate for diversity should consider the specific elements that develop a positive climate for diversity, such as diversity policies and procedures.

6.2.4 The relationship between organisational climate and diversity management

The study found that there is a positive and strong relationship between diversity management and organisational climate and all the other factors of organisational climate. Therefore the null hypothesis had to be rejected.

The following organisational climate dimensions correlated strongly, between 0,700 and 0,624, with diversity management: policies and procedures: job content, policies and procedures: selection and recruitment, policies and procedures: employee relations, discrimination, gender issues, equality in conditions of employment, organisational culture/values, strategic focus of the organisation and employment equity. Hicks-Clarke and Ilies (2000) state that organisations that want to create a positive climate for diversity need to implement policies that deal effectively with the issues of diversity.

The above results indicate that if policies and procedures of an organisation are regarded as fair, there is gender balance, there is no discrimination and employment equity is managed properly therefore employees will view the climate of the organisation in a more positive manner. The strong relationship between diversity management and employment equity, has implications for South African organisations that do not have employment equity plans in place, the researcher is inclined to conclude that employees in those organisation will view diversity management less positively.

The following dimensions correlated with diversity management, between 0,577 and 0,452, which had a medium significance: favouritism, management and leadership, attraction and retention, employee development, information management, relationships, resources, technology, performance management and remuneration. Carr-Ruffino (1999) and Tsui and Porter (as cited in Cox, 2001), state that organisations

that are managing their diverse workforce would be effective in attracting and retaining human talent.

The second hypothesis of the research study revealed that the null hypothesis was not rejected for the following groups: gender, race, employment status and years of service.

The null hypothesis had to be rejected for the age group, as it was discovered there is a difference between the views of the different age groups with regards to their views on diversity management. Employees under 25 years old hold more positive views regarding diversity management, followed by those who are "55 and older". Employees in the middle age group, between "25 and 44" years of age had the least positive views regarding diversity management. The researcher assumes that younger employees are more open to change hence their positive views regarding diversity management in this particular organisation.

It is therefore concluded that there is a relationship between organisational climate and diversity management. Cox (1993), Hicks-Clarke and Illes (2000) and Kossek and Zonia (1993) focused on the presence of diversity in the organisation, not the management of diversity. This study found that the relationship between diversity management and organisational climate is viewed differently by the different age groups and the following biographical groups: gender, race, employment status and years of service, view diversity almost the same way.

The researcher expected the different biographical groups to have different views regarding diversity management, in this regard the study did not meet the researcher's expectations.

6.3 LIMITATIONS

Firstly, only one organisation was used to conduct the study. The results of this study are only representative of the retail sector, and not of the South African workforce

broadly. Secondly, what was observed in this retail company might have different results if applied in other organisations or sectors, such as the government sector.

The large sample size exposed the study to errors during the completion of the questionnaire by the candidates or during data capturing.

Only a few studies have been conducted on these two concepts; the focus of the previous studies was largely on the presence of diversity rather than the management of diversity. This made it difficult to refer to previous studies during the interpretation phase.

Despite the above limitations, it can be concluded that there is a strong and positive relationship between diversity management and organisational climate and that younger employees view diversity management more positively than older employees.

6.4 RECOMMENDATIONS

The current study focused on a sample of the population in the retail industry. It is recommended that research be undertaken on larger samples. This could involve obtaining a sample from all the sectors of employment in South Africa.

The biographical mix of the sample might have had an effect on the observed results, hence it is recommended that a study that is truly representative of the South African population be used.

In the literature review in an attempt to conceptualise diversity management, the researcher found literature that dealt with managing diversity and the difference between this concept and diversity management needs to be clarified. It is recommended that further research be done to clarify the confusion existing over the two concepts.

Organisational culture emerged as a factor during factor analysis. The literature review established that there is a relationship between organisational climate and organisational culture, and climate evolves from culture. Further research should be undertaken to determine whether it is possible that culture can evolve from organisational climate. Also a study can be conducted to determine the relationship between diversity management and organisational culture.

Hicks-Clarke and Ilies's (2000) PCDF model was used in analysing the statistical results (only a part of the model was used). It was difficult to find a model that deals with these two concepts according to the nature of the study. This led the researcher to use only a part of the model. It is therefore recommended that a model of organisational climate be developed with diversity management as a prominent factor in the model. Diversity is the presence of employees who are different from one another in terms of race, gender and culture, for example. Diversity management is a strategy-driven process, which involves active integration of diverse people, with the aim of achieving better organisational goals.

The study found that younger employees under the age of 25 view diversity management more positively than any other age group. Further research can be conducted to determine those factors that prompt younger employees to view diversity management more positively and use this, to improve on the diversity management strategy of the organisation.

South African companies can use their leadership support and strategic focus of the organisation as starting point, in ensuring the sustainability of diversity management programmes. In addition ensuring that policies and procedures in the organisations are fair, there should be strategies in place to deal with discrimination, gender issues, equality in condition of employment and the organisational culture and values that support diversity management. Employment equity is regarded as a precondition in order to manage diversity effectively in organisations.

6.5 CHAPTER SUMMARY

South Africa is a new democracy that recently celebrated ten years of freedom. Issues such as diversity management have become important in organisations. South African organisations are at different phases of dealing with a diverse workforce. For those organisations that have passed the affirmative action and the valuing differences phases, it is important to know the impact of their diversity management initiatives, as this is no longer a moral issue but a bottom line, business issue. Those organisations that are still in the affirmative action/ employment equity phase are to be encouraged to work towards implementing diversity management initiatives.

The present study explored the relationship between organisational climate and diversity management. It is imperative that organisations understand the nature of the relationship and the impact of diversity management on organisational climate, as this will not only achieve the legal requirements of the government, but it will also ensure that it adds value to the organisation by increasing productivity. Industrial psychologists are in the best position to help organisations achieve this outcome.

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